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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION FOR BEHAVIORAL HEALTH

BUREAU OF DRUG AND ALCOHOL SERVICES

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
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October 17, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services, to enter into **sole source** agreements with the eight (8) vendors listed below, in an amount not to exceed $16,606,487, to develop, implement and operationalize a statewide network of Regional Hubs for opioid use disorder treatment and recovery support services, effective upon date of Governor and Council approval, through September 29, 2020. Federal Funds 100%.

Vendor Name	Vendor ID	Vendor Address	Amount
Androscoggin Valley Hospital, Inc.	TBD	59 Page Hill Rd. Berlin, NH 03570	$1,559,611
Concord Hospital, Inc.	177653-B003	250 Pleasant St. Concord, NH, 03301	$1,845,257
Granite Pathways	228900-B001	10 Ferry St, Ste. 308, Concord, NH, 03301	$5,008,703
Littleton Regional Hospital	TBD	600 St. Johnsbury Road Littleton. NH 03561	$1,572,101
LRGHealthcare	TBD	80 Highland St. Laconia, NH 003246	$1,593,000
Mary Hitchcock Memorial Hospital	177651-B001	One Medical Center Drive Lebanon, NH 03756	$1,543,788
The Cheshire Medical Center	155405-B001	580 Court St. Keene, NH 03431	$1,593,611
Wentworth-Douglass Hospital	TBD	789 Central Ave. Dover, NH 03820	$1,890,416
		Total	**$16,606,487**

Funds are available in the following account(s) for State Fiscal Year (SFY) 2019, and are anticipated to be available in SFY 2020 and SFY 2021, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from the Governor and Executive Council.

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2019	102-500731	Contracts for Prog Svc	92057040	$8,281,704
SFY 2020	102-500731	Contracts for Prog Svc	92057040	$7,992,783
SFY 2021	102-500731	Contracts for Prog Svc	92057040	$0
			Sub-Total	***$16,274,487***

05-95-92-920510-2559 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG & ALCOHOL SERVICES, OPIOID STR GRANT

Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
SFY 2019	102-500731	Contracts for Prog Svc	92052561	$332,000
SFY 2020	102-500731	Contracts for Prog Svc	92052561	$0
SFY 2021	102-500731	Contracts for Prog Svc	92052561	$0
			Sub-Total	***$332,000***
			Grand Total	**$16,606,487**

EXPLANATION

This request is **sole source** because the Department is seeking to restructure its service delivery system in order for individuals to have more rapid access to opioid use disorder (OUD) services. The vendors above have been identified as organizations for this scope of work based on their existing roles as critical access points for other health services, existing partnerships with key community-based providers, and the administrative infrastructure necessary to meet the Department's expectations for the service restructure.. Presently, the Department funds a separate contract with Granite Pathways through December 31, 2018 for Regional Access Points, which provide screening and referral services to individuals seeking help with substance use disorders. The Department is seeking to re-align this service into a streamlined and standardized approach as part of the State Opioid Response (SOR) grant, as awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA). With this funding opportunity, New Hampshire will use evidence-based methods to expand treatment, recovery, and prevention services to individuals with OUD in NH. The establishment of nine (9) Regional Hubs (hereafter referred to as Hubs) is critical to the Department's plan.

The Hubs will ensure that every resident in NH has access to SUD treatment and recovery services in person during the week, along with 24/7 telephonic services for screening, assessment, and evaluations for substance use disorders. The statewide telephone coverage will be accomplished

evaluations for substance use disorders. The statewide telephone coverage will be accomplished through a collaborative effort among all of the Hubs for overnight and weekend access to a clinician, which will be presented to the Governor and Executive Council at the November meeting. The Hubs will be situated to ensure that no one in NH has to travel more than sixty (60) minutes to access their Hub and initiate services. The vendors will be responsible for providing screening, evaluation, closed loop referrals, and care coordination for clients along the continuum of care.

In the cities of Manchester and Nashua, given the maturity of the Safe Stations programs as access points in those regions, Granite Pathways, the existing Regional Access Point contractor, was selected to operate the Hubs in those areas to ensure alignment with models consistent with ongoing Safe Station's operations. To maintain fidelity to existing Safe Stations operations, Granite Pathways will have extended hours of on-site coverage from 8am-11pm on weekdays and 11am-11pm on weekends.

The Hubs will receive referrals for OUD services through a new contract with the crisis call center (2-1-1 NH) operated by Granite United Way and through existing referral networks. Consumers and providers will also be able to directly contact their local Hub for services. The Hubs will refer clients to services for all American Society of Addiction Medicine (ASAM) levels of care. This approach eliminates consumer confusion caused by multiple access points to services and ensures that individuals who present for help with OUD are receiving assistance immediately.

Funds for each Hub were determined based on a variety of factors, including historical client data from Medicaid claims and State-funded treatment services based on client address, naloxone administration and distribution data, and hospital admissions for overdose events. Funds in these agreements will be used to establish the necessary infrastructure for Statewide Hub access and to pay for naloxone purchase and distribution. The vendors will also have a flexible needs fund for providers to access for OUD clients in need of financial assistance for services and items such as transportation, childcare, or medication co-pays not otherwise covered by another payer.

Unique to this service redesign is a robust level of client-specific data that will be available. The SOR grant requires that all individual served receive a comprehensive assessment at several time intervals, specifically at intake, three (3) months, six (6) months and upon discharge. Through care coordination efforts, the Regional Hubs will be responsible for gathering data on items including, but not limited to recovery status, criminal justice involvement, employment, and housing needs at the time intervals listed above. This data will enable the Department to measure short and long-term outcomes associated with SOR-funded initiatives and to determine which programs are generating the best results for the clients served.

As referenced in Exhibit C-1 of this contract, the Department has the option to extend contracted services for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Notwithstanding any other provision of the Contract to the contrary, no services shall continue after June 30, 2019, and the Department shall not be liable for any payments for services provided after June 30, 2019, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

Should Governor and Executive Council not authorize this request, individuals seeking help for OUD in NH may experience difficulty navigating a complex system, may not receive the supports and clinical services they need, and may experience delays in receiving care.

Area served: Statewide

Source of Funds: 100% Federal Funds from the Substance Abuse and Mental Health Services Administration. CFDA # 93.788, FAIN #H79TI081685 and FAIN #TI080246.

In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

Katja S. Fox
Director

Approved by:

Jeffrey A. Meyers
Commissioner

05-95-92-920510-7040 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, STATE OPIOID RESPONSE GRANT			
100% Federal Funds			
Activity Code: 92057040			
Androscoggin Valley Hospital, Inc			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 805,133.00
2020	Contracts for Prog Svs	102-500731	$ 738,478.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,543,611.00**
Concord Hospital, Inc			
Vendor # 177653-B003			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 947,662.00
2020	Contracts for Prog Svs	102-500731	$ 897,595.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,845,257.00**
Granite Pathways			
Vendor # 228900-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 2,380,444.00
2020	Contracts for Prog Svs	102-500731	$ 2,328,259.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 4,708,703.00**
Littleton Regional Hospital			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 815,000.00
2020	Contracts for Prog Svs	102-500731	$ 741,101.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,556,101.00**
LRGHealthcare			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 820,000.00
2020	Contracts for Prog Svs	102-500731	$ 773,000.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,593,000.00**

Mary Hitchcock Memorial Hospital			
Vendor # 177651-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 730,632.00
2020	Contracts for Prog Svs	102-500731	$ 813,156.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,543,788.00**
The Cheshire Medical Center			
Vendor # 155405-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 820,133.00
2020	Contracts for Prog Svs	102-500731	$ 773,478.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,593,611.00**
Wentworth-Douglas Hospital			
Vendor # 157797			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 962,700.00
2020	Contracts for Prog Svs	102-500731	$ 927,716.00
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 1,890,416.00**

SUB TOTAL			**$ 16,274,487.00**

05-95-92-920510-2559 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF DRUG & ALCOHOL SERVICES, OPIOID STR GRANT			
100% Federal Funds			
Activity Code: 92052561			
Androscoggin Valley Hospital, Inc			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 16,000.00
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 16,000.00**
Concord Hospital, Inc			
Vendor # 177653-B003			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ -
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ -**

Granite Pathways			
Vendor # 228900-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 300,000.00
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 300,000.00**
Littleton Regional Hospital			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ 16,000.00
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ 16,000.00**
LRGHealthcare			
Vendor # TBD			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ -
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ -**
Mary Hitchcock Memorial Hospital			
Vendor # 177651-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ -
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ -**
The Cheshire Medical Center			
Vendor # 155405-B001			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ -
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ -**
Wentworth-Douglas Hospital			
Vendor # 157797			
State Fiscal Year	**Class Title**	**Class Account**	**Current Budget**
2019	Contracts for Prog Svs	102-500731	$ -
2020	Contracts for Prog Svs	102-500731	$ -
2021	Contracts for Prog Svs	102-500731	$ -
Subtotal			**$ -**
SUB TOTAL			**$ 332,000.00**

TOTAL	**$ 16,606,487.00**

FORM NUMBER P-37 (version 5/8/15)

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-01)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name ANDROSCOGGIN VALLEY HOSPITAL, INC		1.4 Contractor Address 59 PAGE HILL ROAD, BERLIN, NH, 03570	
1.5 Contractor Phone Number (603) 752-2200	1.6 Account Number 05-95-92-7040-500731 05-95-92-2559-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,559,611
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Michael D. Peterson, FACHE President, Androscoggin Valley Hospital	

1.13 Acknowledgement: State of NH, County of GRAFTON

On 10/15/18, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal]

BONNIE HAMEL - NOTARY PUBLIC - STATE OF NEW HAMPSHIRE - MY COMMISSION EXPIRES SEPTEMBER 3, 2019 - JUSTICE OF THE PEACE

1.13.2 Name and Title of Notary or Justice of the Peace

BONNIE HAMEL, JP

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director
1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:	Director, On:
1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Megan A. Yost, Attorney	On: 10/19/18
1.18 Approval by the Governor and Executive Council *(if applicable)* By:	On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials MPP
Date 10/15/2018

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials MMP
Date 10/15/19

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials MPP
Date 10/15/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Berlin Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Berlin Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685 and TI080246.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Bidder/Program Name: Androscoggin Valley Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2019)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 322,000.00	$ -	$ 322,000.00	$ -	$ -	$ -	$ 322,000.00	$ -	$ 322,000.00
2. Employee Benefits	$ 112,700.00	$ -	$ 112,700.00	$ -	$ -	$ -	$ 112,700.00	$ -	$ 112,700.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ 10,000.00	$ -	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
Pharmacy/Naloxone	$ 260,133.00	$ -	$ 260,133.00	$ -	$ -	$ -	$ 260,133.00	$ -	$ 260,133.00
Medical	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 2,000.00	$ -	$ 2,000.00	$ -	$ -	$ -	$ 2,000.00	$ -	$ 2,000.00
7. Occupancy	$ 14,500.00	$ -	$ 14,500.00	$ -	$ -	$ -	$ 14,500.00	$ -	$ 14,500.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
10. Marketing/Communications	$ 10,000.00	$ -	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
11. Staff Education and Training	$ 13,800.00	$ -	$ 13,800.00	$ -	$ -	$ -	$ 13,800.00	$ -	$ 13,800.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ 16,000.00	$ -	$ 16,000.00	$ -	$ -	$ -	$ 16,000.00	$ -	$ 16,000.00
*Flex	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 821,133.00	$ -	$ 821,133.00	$ -	$ -	$ -	$ 821,133.00	$ -	$ 821,133.00

Indirect As A Percent of Direct 0.0%

Vendor Initials MMP

Date 10/15/18

New Hampshire Department of Health and Human Services

Bidder/Program Name: Androscoggin Valley Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 322,000.00	$ -	$ 322,000.00	$ -	$ -	$ -	$ 322,000.00	$ -	$ 322,000.00
2. Employee Benefits	$ 112,500.00	$ -	$ 112,500.00	$ -	$ -	$ -	$ 112,500.00	$ -	$ 112,500.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ 10,000.00	$ -	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
Pharmacy/Naloxone	$ 153,478.00	$ -	$ 153,478.00	$ -	$ -	$ -	$ 153,478.00	$ -	$ 153,478.00
Medical	$ 3,800.00	$ -	$ 3,800.00	$ -	$ -	$ -	$ 3,800.00	$ -	$ 3,800.00
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 2,000.00	$ -	$ 2,000.00	$ -	$ -	$ -	$ 2,000.00	$ -	$ 2,000.00
7. Occupancy	$ 14,500.00	$ -	$ 14,500.00	$ -	$ -	$ -	$ 14,500.00	$ -	$ 14,500.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 500.00	$ -	$ 500.00	$ -	$ -	$ -	$ 500.00	$ -	$ 500.00
10. Marketing/Communications	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
11. Staff Education and Training	$ 6,700.00	$ -	$ 6,700.00	$ -	$ -	$ -	$ 6,700.00	$ -	$ 6,700.00
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ 55,000.00	$ -	$ 55,000.00	$ -	$ -	$ -	$ 55,000.00	$ -	$ 55,000.00
*Flex	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
	$ -							$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 738,478.00	$ -	$ 738,478.00	$ -	$ -	$ -	$ 738,478.00	$ -	$ 738,478.00

Indirect As A Percent of Direct 0.0%

Vendor Initials MHP

Date 10/15/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/15/2018
Date

Name: Michael D. Peterson, FACHE
Title: President

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/15/18
Date

Name: Michael D. Peterson, FACHE
Title: President

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/15/2018
Date

Name: Michael D. Peterson, FACHE
Title: President

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/15/2014
Date

Name: Michael D. Peterson, FACHE
Title: President

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/15/2018
Date

Name: Michael D. Peterson, FACHE
Title: President

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

Contractor Initials MDP

Date 10/15/18

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/15/2018
Date

Name: Michael D. Peterson, FACHE
Title: President

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 069910263

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ___X___NO _____YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____NO ___X___YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

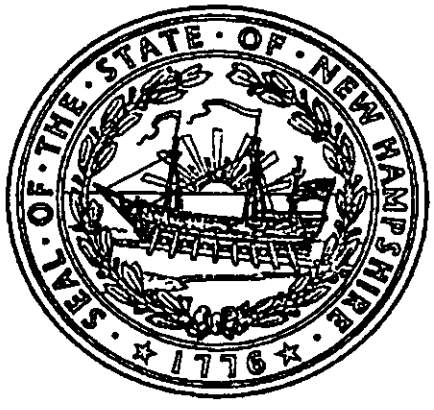
D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that ANDROSCOGGIN VALLEY HOSPITAL, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 28, 1969. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **61184**
Certificate Number: **0004194653**



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 8th day of October A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Donna Goodrich, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Androscoggin Valley Hospital.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 10/9/2018:
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the thirty first day of October, 2018.

4. Michael Peterson is the duly elected President
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 9th day of October, 2018, by Donna Goodrich, Chair of the Androscoggin Valley Hospital Board of Directors.

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

BONNIE HAMEL NOTARY PUBLIC STATE OF NEW HAMPSHIRE - MY COMMISSION EXPIRES SEPTEMBER 3, 2019 - JUSTICE OF THE PEACE

Commission Expires:

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/26/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Arthur J Gallagher Risk Management Services 470 Atlantic Avenue Boston MA 02210	PHONE (A/C, No, Ext): 617-261-6700	FAX (A/C, No): 617-646-0400
	E-MAIL ADDRESS:	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Fire & Marine Insurance Co	20079
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED NORTCOU-22
Androscoggin Valley Hospital Northcare, Inc.
59 Page Hill Road
Berlin, NH 03570

COVERAGES **CERTIFICATE NUMBER:** 1687144086 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			HN017659	10/1/2018	10/1/2019	EACH OCCURRENCE	$ 1,000,000
	X CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 1,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 3,000,000
	X POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$ 3,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER

State of New Hampshire
DPHS; Director's Office
29 Hazen Drive
Concord NH 03301
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Patrick J. Veale

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/15/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 470 Atlantic Avenue Boston MA 02210	CONTACT NAME: PHONE (A/C, No, Ext): 617-261-6700 FAX (A/C, No): 617-646-0400 E-MAIL ADDRESS:
INSURED ANDRVAL-01 Androscoggin Valley Hospital 59 Page Hill Road Berlin NH 03570	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : A.I.M. Mutual Insurance Companies — 33758 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 1681644864 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						GENERAL AGGREGATE	$
	OTHER:						PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			WMZ-800-8007357-2018A	10/1/2018	10/1/2019	X PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)		N/A				E.L. EACH ACCIDENT	$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of NH
DHHS
129 Pleeasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patrick J. Veale

NCH Androscoggin Valley Hospital

AVH MISSION AND VISION STATEMENTS

The Mission Statement of Androscoggin Valley Hospital is:

Delivering the best healthcare experience for every patient, every day.

Our Mission Statement provides the underlying philosophy for all planning and strategy development.

Our Vision Statement is:

Working TOGETHER, we will be one of the top ten critical access hospitals in the Country, by providing the most compassionate, highest quality care to OUR community.

BerryDunn

[redacted]

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

Year Ended September 30, 2017 and Nine Months Ended September 30, 2016

With Independent Auditor's Report

[redacted]

BerryDunn

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Androscoggin Valley Hospital, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Androscoggin Valley Hospital, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets, and cash flows for the year ended September 30, 2017 and nine months ended September 30, 2016, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Androscoggin Valley Hospital, Inc. and Subsidiaries as of September 30, 2017 and 2016, and the results of their operations, changes in their net assets, and their cash flows for the year ended September 30, 2017 and the nine months ended September 30, 2016, in accordance with U.S. generally accepted accounting principles.

The Board of Directors
Androscoggin Valley Hospital, Inc. and Subsidiaries

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis, rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
January 31, 2018

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2017 and 2016

ASSETS

	2017	2016
Current assets		
Cash and cash equivalents	$ 5,598,106	$ 7,989,969
Patient accounts receivable, less estimated uncollectibles and contractual allowances (2017 - $10,532,492; 2016 - $6,726,397)	5,179,690	6,970,261
Other accounts receivable	1,388,646	1,552,848
Supplies	578,254	612,678
Prepaid expenses and other current assets	1,279,130	491,152
Total current assets	14,023,826	17,616,908
Assets limited as to use	26,856,231	23,534,240
Property and equipment, net	14,132,369	14,058,268
Due from affiliates	90,864	-
Deferred compensation investments	4,802,525	4,046,105
Total assets	$59,905,815	$ 59,255,521

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	2017	2016
Current liabilities		
Current portion of long-term debt	**$ 1,852,277**	$ 3,318,217
Accounts payable and accrued expenses	**2,554,802**	3,058,121
Accrued salaries and related amounts	**2,009,122**	2,093,811
Estimated third-party payor settlements	**1,048,315**	1,144,100
Total current liabilities	**7,464,516**	9,614,249
Estimated third-party payor settlements	**13,079,280**	10,614,800
Long-term debt, excluding current portion	**11,366,601**	16,510,621
Deferred compensation	**4,802,525**	4,046,105
Total liabilities	**36,712,922**	40,785,775
Net assets		
Unrestricted	**23,149,131**	18,425,984
Permanently restricted	**43,762**	43,762
Total net assets	**23,192,893**	18,469,746
Total liabilities and net assets	**$59,905,815**	$59,255,521

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Year Ended September 30, 2017 and Nine Months Ended September 30, 2016

	2017	2016
Unrestricted revenues and gains		
Patient service revenue (net of contractual allowances and discounts)	$ 58,217,181	$ 44,797,693
Less provision for bad debts	3,618,541	1,475,530
Net patient service revenue	54,598,640	43,322,163
Other revenues	3,117,739	2,222,669
Total unrestricted revenues and gains	57,716,379	45,544,832
Expenses		
Salaries, wages, and fringe benefits	28,137,181	20,824,711
Supplies and other expenses	20,907,309	15,861,544
Medicaid enhancement tax	1,932,403	2,051,360
Insurance	514,528	492,950
Depreciation	2,308,509	1,794,604
Interest expense	638,262	484,394
Total operating expenses	54,438,192	41,509,563
Operating income	3,278,187	4,035,269
Nonoperating gains (losses)		
Investment income (loss)	847,426	(260,906)
Net periodic pension adjustment	-	(13,486,933)
Contributions and program support, net of expenses	(26,706)	(12,514)
Community benefit grant	(349,898)	(433,484)
Other non-operating losses	(92,484)	(190,000)
Nonoperating gains (losses), net	378,338	(14,383,837)
Excess (deficiency) of revenues and gains over expenses and losses	3,656,525	(10,348,568)
Net unrealized gains on investments	1,066,622	465,018
Change in net assets to recognize funded status of pension plan	-	12,380,557
Increase in unrestricted net assets	$ 4,723,147	$ 2,497,007

The accompanying notes are an integral part of these consolidated financial statements.

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Year Ended September 30, 2017 and Nine Months Ended September 30, 2016

	Unrestricted	Permanently Restricted	Total
Balances, January 1, 2016	$ 15,928,977	$ 43,762	$ 15,972,739
Deficiency of revenues and gains over expenses and losses	(10,348,568)	-	(10,348,568)
Net unrealized gains on investments	465,018	-	465,018
Change in net assets to recognize funded status of pension plan	12,380,557	-	12,380,557
Net increase in net assets	2,497,007	-	2,497,007
Balances, September 30, 2016	18,425,984	43,762	18,469,746
Excess of revenues and gains over expenses and losses	**3,656,525**	-	**3,656,525**
Net unrealized gains on investments	**1,066,622**	-	**1,066,622**
Net increase in net assets	**4,723,147**	-	**4,723,147**
Balances, September 30, 2017	**$ 23,149,131**	**$ 43,762**	**$ 23,192,893**

The accompanying notes are an integral part of these consolidated financial statements.

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Year Ended September 30, 2017 and Nine Months Ended September 30, 2016

	2017	2016
Cash flows from operating activities		
Increase in net assets	$ 4,723,147	$ 2,497,007
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	2,321,049	1,804,009
Net realized and unrealized gains on investments	(1,982,259)	(231,334)
Provision for bad debts	3,618,541	1,475,530
Change in net assets to recognize funded status of pension plan	-	(12,380,557)
(Increase) decrease in		
Patient accounts receivable	(1,827,970)	(882,327)
Other accounts receivable	164,202	320,422
Supplies	34,424	(11,337)
Prepaid expenses and other current assets	(787,978)	576,608
Due from affiliates	(90,864)	-
Increase (decrease) in		
Accounts payable and accrued expenses	(503,319)	(450,294)
Accrued salaries and related amounts	(84,689)	(374,356)
Estimated third-party payor settlements	2,368,695	2,482,467
Pension liability	-	650,180
Net cash provided (used) by operating activities	7,952,979	(4,523,982)
Cash flows from investing activities		
Proceeds from sale of investments	14,808,068	24,841,525
Purchases of investments	(16,147,800)	(23,558,782)
Purchases of property and equipment	(2,382,610)	(504,050)
Net cash (used) provided by investing activities	(3,722,342)	778,693
Cash flows from financing activities		
Payments on long-term debt	(6,622,500)	(3,066,610)
Proceeds from issuance of long-term debt	-	12,071,000
Net cash (used) provided by financing activities	(6,622,500)	9,004,390
Net (decrease) increase in cash and cash equivalents	(2,391,863)	5,259,101
Cash and cash equivalents, beginning of year	7,989,969	2,730,868
Cash and cash equivalents, end of year	$ 5,598,106	$ 7,989,969
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 625,722	$ 474,989

The accompanying notes are an integral part of these consolidated financial statements.

Nature of Business

Androscoggin Valley Hospital, Inc. is a critical access hospital providing inpatient, outpatient, emergency care, specialty care and physician/provider services to residents of Berlin, New Hampshire and the surrounding communities. The Hospital's subsidiaries include Northcare, the former parent of the Hospital, Androscoggin Valley Hospital Foundation, Inc. (Foundation), a company formed to conduct fund-raising activities and manage trusteed investments that support health-related community programs, and Mountain Health Services, Inc. (MHS), which owned and leased a medical office building. MHS has become an inactive entity. Androscoggin Valley Hospital, Inc. and Subsidiaries are collectively referred to herein as the "Hospital."

On June 30, 2015, the Hospital along with three other hospitals in the North Country region of New Hampshire, Littleton Regional Hospital, Upper Connecticut Valley Hospital, and Weeks Medical Center, signed an Affiliation Agreement. The Boards of each of the hospitals approved the affiliation documents which consist of an Affiliation Agreement, Management Services Agreement, and proposed Bylaw changes. The application to the New Hampshire Attorney General's office and Charitable Trust Unit was approved in December 2015. On April 1, 2016, the hospitals closed on the formation of the new parent organization, North Country Healthcare. North Country Healthcare was established to coordinate activities of the four hospitals and affiliated home health operating company. As a result of the affiliation, North Country Healthcare is the parent of the Hospital.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Androscoggin Valley Hospital Inc., Northcare, the Foundation, and MHS. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include short-term investments which have a maturity of three months or less when purchased, and exclude amounts limited as to use by Board designation.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. In evaluating the collectibility of patient accounts receivable, the Hospital analyzes its past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Data for each major payor source is regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. For receivables relating to self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2017, the Hospital increased its estimate of the allowance for doubtful accounts from $1,799,999 to $4,636,756. The increase in the allowance is due to an increase in accounts receivable and a change in the allowance methodology to fully reserve third-party payor accounts receivable over 180 days. During 2017 and 2016, write-offs were $1,124,609 and $1,228,668, respectively.

Investments and Investment Income

Investments are reported as assets limited as to use and deferred compensation investments. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess (deficiency) of revenues and gains over expenses and losses unless the income or loss is restricted by donor or law. Unrealized gains and temporary unrealized losses on investments are excluded from this measure.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets and statements of operations and changes in net assets.

Assets Limited as to Use

Assets limited as to use include designated assets set aside by the Board of Directors for future capital improvements over which the Board retains control, and which it may at its discretion subsequently use for other purposes.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair value determined at the date of donation, less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the useful lives of the related assets. The provision for depreciation has been computed using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives.

Bond Issuance Costs

The costs incurred to obtain long-term financing are being amortized by the straight-line method over the repayment period of the related debt. The costs are included in long-term debt in the balance sheets.

Employee Fringe Benefits

The Hospital has an "earned time" plan which provides benefits to employees for paid leave hours. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. The Hospital accrues a liability for such paid leave as it is earned. The earned time plan does not cover the providers.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from established rates. Payment arrangements include prospectively-determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are recorded on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital pays a healthcare provider tax of 5.5% on certain net patient service revenue, which is reported as Medicaid enhancement tax in the statements of operations.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net revenue. The cost of charity care provided was approximately $656,000 in 2017 and $365,000 in 2016. The cost is estimated by applying the ratio of total cost to total charges associated with providing such care.

Operating Income

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported in operating income. Gain or (loss) on disposal of property and equipment and investment income used to fund interest expense and other operating expenses are also included in operating income. Peripheral or incidental transactions are reported as nonoperating gains (losses), which primarily include certain investment income (losses), contributions and support of community programs, community benefit grants, and pension plan settlement (Note 6).

Excess (Deficiency) of Revenues and Gains Over Expenses and Losses

The consolidated statements of operations include the excess (deficiency) of revenues and gains over expenses and losses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include unrealized gains and temporary unrealized losses on investments other than trading securities, and the change in net assets to recognize the funded status of the pension plan.

Income Taxes

Androscoggin Valley Hospital, Inc. and Subsidiaries are non-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and therefore are exempt from federal income taxes on related income.

Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location. Expenses related to providing these services for the twelve months ended September 30, 2017 and nine months ended September 30, 2016 are as follows:

	2017	2016
Program services	**$ 48,994,373**	$ 37,334,729
General and administrative	**5,443,819**	4,174,834
	$ 54,438,192	$ 41,509,563

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. generally accepted accounting principles, management has considered transactions or events occurring through January 31, 2018, which was the date the financial statements were issued.

2. Assets Limited as to Use

The composition of assets limited as to use as of September 30, 2017 and 2016 is as follows:

	2017	2016
Cash and short-term investments	$ 4,590,725	$ 2,867,178
U.S. Treasury securities and government-sponsored enterprises	4,067,210	10,896,267
Corporate bonds	398,268	-
Exchange traded funds	6,895,117	4,839,845
Mutual funds	10,904,911	4,829,127
Alternative investments	-	101,823
	$26,856,231	$23,534,240

Investment income and gains (losses) for assets limited as to use, cash equivalents, and other investments are comprised of the following for the year ended September 30, 2017 and nine months ended September 30, 2016:

	2017	2016
Income (losses)		
Interest and dividend income	$ 353,095	$ 194,685
Realized gains (losses) on sales of securities	915,637	(233,684)
Management fees	(87,272)	(43,611)
	$ 1,181,460	$ (82,610)
Other changes in unrestricted net assets		
Change in net unrealized gains	$ 1,066,622	$ 465,018

Income on investments is reported as follows:

	2017	2016
Other revenues	$ 334,034	$ 178,296
Nonoperating gains (losses)	847,426	(260,906)
	$ 1,181,460	$ (82,610)

3. Property and Equipment

As of September 30, 2017 and 2016, the major categories of property and equipment were as follows :

	2017	2016
Land	$ 77,592	$ 77,592
Land improvements	1,396,822	1,294,799
Buildings and fixtures	22,420,732	22,126,622
Fixed equipment	7,263,508	7,798,636
Major moveable equipment	18,389,993	17,181,211
	49,548,647	48,478,860
Less accumulated depreciation	35,706,576	34,799,599
	13,842,071	13,679,261
Construction in progress	290,298	379,007
	$ 14,132,369	$ 14,058,268

Depreciation expense for the year ended September 30, 2017 and nine months ended September 30, 2016 was $2,308,509 and $1,794,604, respectively.

4. Long-Term Debt

Long-term debt consists of the following as of September 30, 2017 and 2016:

	2017	2016
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Androscoggin Valley Hospital Issue, Series 2012.		
Term bonds $2,000,000 and $12,500,000 maturing on April 1, 2019 and 2022, respectively, payable in equal monthly installments of $26,428 and $88,530, including interest at 2.951% and 3.312%, respectively.	$ 9,040,726	$ 10,111,807
Note payable in varying monthly installments including interest at 4.29%, payable through October 2022; collateralized by certain investments.	4,233,525	9,784,944
Total long-term debt, before unamortized bond issuance costs	13,274,251	19,896,751
Unamortized bond issuance costs	(55,373)	(67,913)
	13,218,878	19,828,838
Less current portion	1,852,277	3,318,217
Long-term debt, excluding current portion	$ 11,366,601	$ 16,510,621

The NHHEFA Revenue Bonds (Androscoggin Valley Hospital Issue, Series 2012) in the amount of $14,500,000 were issued in March 2012 for the purpose of refinancing existing indebtedness and retiring the Hospital's interest rate swap contract. The Revenue Bonds consist of two term bonds in the amounts of $2,000,000 and $12,500,000. The terms of the bonds are seven years and ten years (with a five-year renewal option), respectively. A negative-negative pledge agreement was provided as security.

The note payable in the amount of $12,071,000 issued in April 2016 consists of two phases: a Pre-Medicare Reimbursement Phase and a Post-Medicare Reimbursement Phase. The conversion from the Pre-Medicare Reimbursement Phase to the Post-Medicare Reimbursement Phase occurred upon the Hospital's receipt of all Medicare reimbursement proceeds associated with the termination of the Hospital's pension plan in May 2017.

Prior to the conversion date, the Hospital was required to make monthly payments of fixed principal in the amount of $60,000 plus accrued interest. Subsequent to the conversion date, the loan was amortized through October 2022 with fixed monthly payments of approximately $77,500 including principal and interest.

The Series 2012 Revenue Bond Agreement and note payable contain various restrictive covenants, which include compliance with certain financial ratios and a detail of events constituting defaults. The Hospital is in compliance with these requirements at September 30, 2017.

Scheduled and estimated principal repayments on long-term debt are as follows:

Year ending September 30,	
2018 (included in current liabilities)	$ 1,852,277
2019	1,734,907
2020	1,668,707
2021	1,735,049
2022	6,283,311
	$ 13,274,251

5. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Hospital was granted Critical Access Hospital (CAH) status. Under CAH status, the Hospital is reimbursed 101% of allowable costs for its inpatient, outpatient, and swing-bed services provided to Medicare beneficiaries. The 101% is currently reduced by a federal sequestration of 2%. For providers and certain lab services, the Hospital is paid on a fee schedule.

The Hospital is reimbursed for cost reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through December 31, 2011.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively-determined rates per day of hospitalization. The prospectively-determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a prior year tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the fiscal intermediary through December 31, 2011.

Provider services are paid based on a fee schedule.

Commercial Insurers

Services rendered to commercial subscribers are reimbursed at submitted charges less a negotiated discount or established fees. The amounts paid to the Hospital are not subject to any settlements.

Overall

Revenues from Medicare and Medicaid programs accounted for approximately 52% and 14%, respectively, of the Hospital's patient revenue for the twelve months ended September 30, 2017 and nine months ended September 30, 2016. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. In 2017, net patient service revenue increased by approximately $5,032,000 due to changes in prior year estimates and the favorable results of Medicare cost report reopenings and disproportionate share hospital program audits. In 2016, net patient service revenue decreased by approximately $1,376,000, respectively, due to changes in prior year estimated third-party settlements.

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the year ended September 30, 2017 and nine months ended September 30, 2016 totaled $58,217,181 and $44,797,693, respectively, of which $57,869,211 and $44,412,629, respectively, were revenues from third-party payors and $347,970 and $385,064, respectively, were revenues from self-pay patients.

Gross patient service revenue, contractual allowances, and other allowances consisted of the following for the year ended September 30, 2017 and nine months ended September 30, 2016:

	2017	2016
Patient services		
Inpatient	**$ 17,460,582**	$ 15,486,702
Outpatient	**59,431,217**	44,364,313
Provider services	**11,862,864**	9,993,037
Gross patient service revenue	**88,754,663**	69,844,052
Less contractual allowances	**29,467,404**	24,432,850
Less charity care allowances	**1,070,078**	613,509
Patient service revenue (net of contractual allowances and discounts)	**58,217,181**	44,797,693
Less provision for bad debts	**3,618,541**	1,475,530
Net patient service revenue	**$ 54,598,640**	$ 43,322,163

Under the State of New Hampshire's Medicaid program, the Hospital recognizes disproportionate share payment revenue which amounted to $3,721,170 and $3,097,629 for 2017 and 2016, respectively, and is recorded in net patient service revenue. Because the methodologies used to determine disproportionate share payments remain unsettled, the Hospital has reserved a portion of the amount received.

Long-term estimated third-party payor settlements consist of estimates related to Medicare's potential disallowance of Medicaid enhancement tax as an allowable cost and state disproportionate share pending settlements. Due to unresolved issues at the federal level for both matters, the Hospital has classified the balances as long-term.

6. Pension Plan and Other Deferred Compensation

The Hospital had a non-contributory defined benefit pension plan covering substantially all of its employees which was terminated in April 2016.

The following table sets forth the funded status of the defined benefit plan and amounts recognized in the Company's financial statements as of the nine months ended September 30, 2016:

Change in benefit obligation	
Benefit obligation at beginning of year	$ 24,670,157
Interest cost	276,697
Actuarial loss	1,463,311
Plan settlement	(26,410,165)
Benefit obligation at end of period	$ -
Change in plan assets	
Fair value of plan assets at beginning of year	$ 12,939,780
Actual return on plan assets	318,830
Employer contribution	13,233,371
Plan settlement	(26,410,165)
Service cost	(81,816)
Fair value of plan assets at end of period	$ -
Components of net periodic benefit cost	
Service cost	$ 81,816
Interest cost	276,697
Expected return on plan assets	(182,048)
Amortization of unrecognized net actuarial loss	802,067
Settlement expense	12,508,401
Net periodic benefit cost	$ 13,486,933

In December 2006, the Hospital established a contributory defined contribution plan available to substantially all employees. The Hospital's policy under the defined contribution plan is to fund its portion of amounts due under the plan on a current basis and to recognize expense as incurred. During 2017 and 2016, the Hospital contributed $295,295 and $240,377 to this plan, respectively.

The Hospital also maintains a nonqualified deferred compensation plan which was established for a select group of management or highly-compensated employees. The amounts contributed to the plan by the Hospital and employees are recognized as an asset and a corresponding liability in the financial statements.

7. Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients. The mix of receivables from patients and third-party payors was as follows as of September 30:

	2017	2016
Medicare	41 %	41 %
Medicaid	15	15
Commercial insurances and other	34	35
Patients	10	9
	100 %	100 %

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts. Hospital management believes it is not exposed to any significant risk on cash and cash equivalents.

8. Related Party Transactions

As a member of North Country Healthcare, the Hospital shares in various services with the other member hospitals and the parent. For the year ended September 30, 2017, the Hospital billed other member hospitals $32,727 and expensed $948,546 for shared services. At September 30, 2017, $90,864 was due from the member hospitals and the parent.

Total expenses billed by other members are as follows:

	2017
Upper Connecticut Valley Hospital	$ 43,995
Weeks Medical Center	5,383
Littleton Regional Hospital	66,610
North Country Home Health & Hospice Agency, Inc.	84,542
North Country Healthcare	728,218
Total	$ 928,748

9. Commitments and Contingencies

Malpractice Loss Contingencies

The Hospital insures its medical malpractice risks on a claims-made basis under a policy which covers all employees of the Hospital. A claims-made policy provides specified coverage for claims reported during the policy term. The policy contains a provision which allows the Hospital to purchase "tail" coverage for an indefinite period of time to avoid any lapse in insurance coverage. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of doing business. U.S. generally accepted accounting principles require the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary as of September 30, 2017 and 2016. The Hospital has obtained coverage on a claims-made basis and anticipates that such coverage will be available going forward.

Asset Retirement Obligation

Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 410, *Asset Retirement and Environmental Obligations*, requires entities to record asset retirement obligations at fair value if they can be reasonably estimated. The State of New Hampshire requires special disposal procedures relating to building materials containing asbestos. The Hospital building contains some encapsulated asbestos, but a liability has not been recognized. This is because there are no current plans to renovate or dispose of the building that would require the removal of the asbestos; accordingly, the liability has an indeterminate settlement date and its fair value cannot be reasonably estimated.

Community Benefit Grant

The Hospital and Coos County Family Health Services (CCFHS) have entered into an agreement whereby the Hospital will provide funding in the form of a community benefit grant to CCFHS for the purpose of supporting a portion of the otherwise uncompensated costs incurred by CCFHS for provider services. The terms of the agreement require that the Hospital provide CCFHS with the agreed-upon community benefit grant funds on July 1 of the appropriate grant year. The amount of the community benefit grant to be awarded is determined on an annual basis in accordance with the terms of the agreement. The initial term of the community benefit grant agreement expires July 31, 2023. Grant expense of $349,898 and $433,484 was incurred for the year ended September 30, 2017 and nine months ended September 30, 2016, respectively.

In June 2017, the community benefit grant was renegotiated to the following payment schedule, contingent upon CCFHS achieving certain annual encounter levels:

On July 1	Not to Exceed
2017 - 2023	$475,000

In addition, as part of this agreement, the Hospital will establish a Community Initiative Grant Fund that will be used to fund community initiatives designed to provide or enhance healthcare services to the medically underserved residents of Coos County.

10. Fair Value Measurement

FASB ASC 820, *Fair Value Measurement,* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis, and reconciliations to related amounts reported in the balance sheet, are summarized below.

	Total	Fair Value Measurements at September 30, 2017, Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 4,590,725	$ 4,590,725	$ -	$ -
U.S. Treasury securities and government-sponsored enterprises	4,067,210	4,067,210	-	-
Corporate bonds	398,268	-	398,268	-
Exchange traded funds	6,895,117	6,895,117	-	-
Mutual funds:				
Value funds	2,448,189	2,448,189	-	-
Balanced funds	2,512,376	2,512,376	-	-
Bond funds	2,674,036	2,674,036	-	-
Growth funds	2,155,154	2,155,154	-	-
International funds	1,115,156	1,115,156	-	-
Total mutual funds	10,904,911	10,904,911	-	-
Total assets limited as to use reported at fair value	$ 26,856,231	$ 26,457,963	$ 398,268	$ -
Investments to fund deferred compensation				
Mutual funds				
Specialty funds	$ 49,909	$ 49,909	$ -	$ -
Balanced funds	3,422,049	3,422,049	-	-
Small cap	98,582	98,582	-	-
Mid cap	102,577	102,577	-	-
Large cap	261,116	261,116	-	-
Government bond	12,946	12,946	-	-
Fixed income funds	580,625	580,625	-	-
International funds	274,721	274,721	-	-
Total mutual funds	$ 4,802,525	$ 4,802,525	$ -	$ -

	Total	Fair Value Measurements at September 30, 2016, Using Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 2,867,178	$ 2,867,178	$ -	$ -
U.S. Treasury securities and government-sponsored enterprises	10,896,267	10,896,267	-	-
Exchange traded funds	4,839,845	4,839,845	-	-
Mutual funds:				
Value funds	1,444,622	1,444,622	-	-
Balanced funds	1,353,574	1,353,574	-	-
Bond funds	435,408	435,408	-	-
Growth funds	1,214,511	1,214,511	-	-
International funds	381,012	381,012	-	-
Total mutual funds	4,829,127	4,829,127	-	-
Total assets limited as to use measured at fair value	23,432,417	$ 23,432,417	$ -	$ -
Investments measured at net asset value	101,823			
Total assets limited as to use	$ 23,534,240			
Investments to fund deferred compensation				
Mutual funds				
Specialty funds	$ 37,414	$ 37,414	$ -	$ -
Balanced funds	2,836,898	2,836,898	-	-
Small cap	72,384	72,384	-	-
Mid cap	70,275	70,275	-	-
Large cap	201,518	201,518	-	-
Fixed income funds	624,882	624,882	-	-
International funds	202,734	202,734	-	-
Total mutual funds	$ 4,046,105	$ 4,046,105	$ -	$ -

The fair value for Level 2 assets is primarily based on quoted market prices of comparable securities, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

SUPPLEMENTARY INFORMATION

Schedule 1

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidating Balance Sheets

September 30, 2017
(with comparative totals for 2016)

ASSETS

	Androscoggin Valley Hospital, Inc.	Northcare	Androscoggin Valley Hospital Foundation, Inc.	Mountain Health Services, Inc.	Eliminations	**2017 Consolidated**	2016 Consolidated
Current assets							
Cash and cash equivalents	$ 5,527,433	$ -	$ -	$ 70,673	$ -	**$ 5,598,106**	$ 7,989,969
Patient accounts receivable, net	5,179,690	-	-	-	-	**5,179,690**	6,970,261
Other accounts receivable	1,388,646	-	-	-	-	**1,388,646**	1,552,848
Supplies	578,254	-	-	-	-	**578,254**	612,678
Prepaid expenses and other current assets	1,279,130	-	-	-	-	**1,279,130**	491,152
Total current assets	13,953,153	-	-	70,673	-	**14,023,826**	17,616,908
Assets limited as to use, excluding current portion	24,169,401	-	2,686,830	-	-	**26,856,231**	23,534,240
Property and equipment, net	14,132,369	-	-	-	-	**14,132,369**	14,058,268
Other assets							
Due from affiliates	90,864	-	-	-	-	**90,864**	-
Advances to affiliates	559,946	-	-	-	559,946	**-**	-
Deferred compensation investments	4,802,525	-	-	-	-	**4,802,525**	4,046,105
Total other assets	5,453,335	-	-	-	559,946	**4,893,389**	4,046,105
Total assets	$ 57,708,258	$ -	$ 2,686,830	$ 70,673	$ 559,946	**$ 59,905,815**	$ 59,255,521

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Consolidating Balance Sheets

September 30, 2017
(with comparative totals for 2016)

LIABILITIES AND NET ASSETS (DEFICIT)

	Androscoggin Valley Hospital, Inc	Northcare	Androscoggin Valley Hospital Foundation, Inc.	Mountain Health Services, Inc.	Eliminations	2017 Consolidated	2016 Consolidated
Current liabilities							
Current portion of long-term debt	$ 1,852,277	$ -	$ -	$ -	$ -	**$ 1,852,277**	$ 3,318,217
Accounts payable and accrued expenses	2,554,802	-	-	-	-	**2,554,802**	3,058,121
Accrued salaries and related amounts	2,009,122	-	-	-	-	**2,009,122**	2,093,811
Estimated third-party payor settlements	1,048,315	-	-	-	-	**1,048,315**	1,144,100
Total current liabilities	7,464,516	-	-	-	-	**7,464,516**	9,614,249
Advances from affiliates	-	518,580	41,366	-	559,946	-	-
Estimated third-party payor settlements	13,079,280	-	-	-	-	**13,079,280**	10,614,800
Long-term debt, excluding current portion	11,366,601	-	-	-	-	**11,366,601**	16,510,621
Deferred compensation	4,802,525	-	-	-	-	**4,802,525**	4,046,105
Total liabilities	36,712,922	518,580	41,366	-	559,946	**36,712,922**	40,785,775
Net assets (deficit)							
Unrestricted	20,995,336	(518,580)	2,601,702	70,673	-	**23,149,131**	18,425,984
Permanently restricted	-	-	43,762	-	-	**43,762**	43,762
Total net assets (deficit)	20,995,336	(518,580)	2,645,464	70,673	-	**23,192,893**	18,469,746
Total liabilities and net assets (deficit)	$ 57,708,258	$ -	$ 2,686,830	$ 70,673	$ 559,946	**$ 59,905,815**	$ 59,255,521

ANDROSCOGGIN VALLEY HOSPITAL, INC. AND SUBSIDIARIES

Schedule 2

Consolidating Statements of Operations

Year Ended September 30, 2017
(with comparative totals for nine months ended September 30, 2016)

	Androscoggin Valley Hospital, Inc.	Northcare	Androscoggin Valley Hospital Foundation, Inc.	Mountain Health Services, Inc.	Eliminations	2017 Consolidated	2016 Consolidated
Unrestricted revenues and gains							
Patient service revenue (net of contractual allowances and discounts)	$ 58,217,181	$ -	$ -	$ -	$ -	$ 58,217,181	$ 44,797,693
Less provision for bad debts	3,618,541	-	-	-	-	3,618,541	1,475,530
Net patient service revenue	54,598,640	-	-	-	-	54,598,640	43,322,163
Other revenues	3,067,175	-	50,557	7	-	3,117,739	2,222,669
Total unrestricted revenues and gains	57,665,815	-	50,557	7	-	57,716,379	45,544,832
Expenses							
Salaries, wages, and fringe benefits	28,137,181	-	-	-	-	28,137,181	20,824,711
Supplies and other expenses	20,907,309	-	-	-	-	20,907,309	15,861,544
Medicaid enhancement tax	1,932,403	-	-	-	-	1,932,403	2,051,360
Insurance	514,528	-	-	-	-	514,528	492,950
Depreciation and amortization	2,305,872	2,637	-	-	-	2,308,509	1,794,604
Interest expense	638,262	-	-	-	-	638,262	484,394
Total operating expenses	54,435,555	2,637	-	-	-	54,438,192	41,509,563
Operating income (loss)	3,230,260	(2,637)	50,557	7	-	3,278,187	4,035,269
Nonoperating gains (losses)							
Investment income (loss)	759,936	-	87,490	-	-	847,426	(260,906)
Net periodic pension adjustment	-	-	-	-	-	-	(13,486,933)
Contributions and program support, net of expenses	24,163	-	(50,869)	-	-	(26,706)	(12,514)
Community benefit grant	(349,898)	-	-	-	-	(349,898)	(433,484)
Other non-operating losses	(92,484)	-	-	-	-	(92,484)	(190,000)
Nonoperating gains (losses), net	341,717	-	36,621	-	-	378,338	(14,383,837)
Excess (deficiency) of revenues and gains over expenses and losses	3,571,977	(2,637)	87,178	7	-	3,656,525	(10,348,568)
Net unrealized gains on investments	889,690	-	176,932	-	-	1,066,622	465,018
Change in net assets to recognize funded status of pension plan	-	-	-	-	-	-	12,380,557
Increase (decrease) in unrestricted net assets (deficit)	$ 4,461,667	$ (2,637)	$ 264,110	$ 7	$ -	$ 4,723,147	$ 2,497,007

NCH north country healthcare

Androscoggin Valley Hospital

COMPOSITION OF AVH BOARD
2018-2019
(as of 10/1/2018)

Board of Directors

Donna Goodrich, Chair
Jay Poulin, Vice-Chair
Alta Chase, Secretary
Max Makaitis, Treasurer

Louise Belanger
Javier Cardenas, MD
Arthur Couture
John Guertin
Eric Johnson
Randall Labnon
Martha Laflamme
Thomas McCue
Michael Peterson
Arthur Ruediger, DO
Daniel van Buren, MD

Jarrett E. Stern, MHA [redacted]

Professional Experience

Executive – Special Projects - 2017 to Present

NORTH COUNTRY HEALTHCARE: Whitefield, NH

Chief Executive Officer—2013 to 2017

UNIVERSITY ORTHOPAEDICS, PC ("UOPC")—Main Campus: Hawthorne, NY

Recruited to improve quality and provide executive leadership to multi-site academic orthopaedic practice. UOPC has 15 full time surgeons, radiology and physical therapy. With offices in both New York and Connecticut, UOPC provides expertise in all orthopaedic subspecialties in adults and pediatrics. Responsible for management of six locations, 50+ employees, and annual revenues of $15 million.

- Oversee administration of all site locations. Assume full responsibility for strategic planning, development, operations, sales and marketing, customer service, human resources, regulatory and compliance and P & L performance.
- Re-directed operations to increase profit growth in order to streamline procedures and implement measures to reduce costs. Reduced overhead and administrative expenses by 14%.
- Adopted technological resources to convert from paper to electronic systems to accommodate ICD-10 conversion, which improved records, files, and document retention, and streamlined practice management to comply with Meaningful Use requirements.
- Established Executive Governance Board; provide leadership to managers, directors and staff that will enroll support, create ownership of goals, and encourage active participate in decisions that impact the practice.
- Completely upgraded all IT hardware and software systems from the traditional PC model to thin client and cloud based systems.
- Charged with bringing practice into compliance with government regulations. Performed multiple mock RAC audits/education sessions to improve compliance with CMS guidelines.
- Actively and successfully explored new business opportunities to expand growth resulting in partnership with physiatry and physical therapy practices, commencing March 2015.
- Successfully negotiated and signed contracts, including managed care arrangements to improve reimbursements and patient volume.
- Strengthened referral base which includes private patients, corrections, governmental payors and others, resulting in increased new patient visits and a solid reputation in the area and healthcare community. Annual patient visits currently exceed 38,000.

- Renegotiated and upgraded health, dental, life, disability, and 401(k) plans for all employees, increasing quality of benefits provided while lowering overall costs.
- Revised supply chain process including vendor replacement and JIT ordering to create cash flow savings, minimize loss and stock outs and effectively utilize available space.

Chief Operating Officer—2013

ORTHOPEDICS AND NEUROSURGERY SPECIALISTS, PC—Greenwich, CT

Recruited to lead all aspects of business management and financial operations. This multi-location practice has 21 full time physicians, MRI, physical therapy, conventional imaging, 140 FTE and partnership in an ambulatory surgery center. Gross annual revenue exceeds $40 million derived from approximately 40,000 patient visits.

- Developed formal inventory system with dedicated storage locations and par levels; implemented IOS software to track materials with a link to Quick Books for efficient and accurate accounting.
- Increased MRI volume 10% resulting in added revenue.
- Restructured administrative and clinical staffs to more efficiently utilize existing talent; recruited and hired Chief Financial Officer and Nursing Director.
- Increased physical therapy capacity creating 5% additional throughput.
- Initiated managed care contract negotiations with Blue Cross and Harvard/Pilgrim Health; projected to increase patient volume by approximately 10% per annum.
- Led $800,000 renovation to modernize existing real estate and install infrastructure needed for all IT and telephone system upgrades.
- Reorganized executive management structure to optimize clinical and administrative processes; appointed Medical Directors for radiology/MRI and physical therapy to oversee day-to-day accountabilities.
- Negotiated and contracted all practice insurance policies including: Property and Casualty, Directors and Officers, Workers Compensation, Employee Health Insurance, Umbrella Policy and Employee Benefits.
- Defined strategy and led task force for ICD-10 conversion and Meaningful Use Stage 2.

Vice President, Perioperative Services and Orthopedics—2009 to 2013

Perioperative Services, Central Sterile Processing, Department of Anesthesiology, Endoscopy Unit, Department of Orthopedics, Department of Surgery, Department of Otolaryngology, Head and Neck Surgery and Audiology

WESTCHESTER MEDICAL CENTER – Valhalla, NY

Responsible for all business, operational and regulatory requirements including supervision of 400 full-time employees, 26 Operating rooms, 4 Endoscopy suites and 2 Procedure rooms. Managed operating budget in excess of $80 million covering 15 cost centers with over $398 million of annual charges.

- Led negotiation for contracts relating to total joint, spine, trauma, LVADs, and all cardiothoracic implants resulting in an annualized savings of over 20%. Spearheaded build-out of additional pediatric operating room accommodating an additional 780 cases; led construction of two additional PACU bays and managed the complete renovation of 13 operating rooms including the addition of a hybrid room. Upgraded McKesson Operating Room Information System to maximize capabilities and interface with CSPD information system; upgraded Abacus CSPD information system to accommodate and

incorporate bar code technology and increased throughput capacity via installation of a four chamber tunnel washer.

- Led integration of The Pyxis Profile System and Med-Station, an automated pharmaceutical supply management system expediting and securing the distribution of medication while streamlining costs associated with charge materials within perioperative areas.
- Implemented *Life Wings* program to boost patient safety, reduce medical errors and lower malpractice costs bringing about increased employee satisfaction and reduced nurse turnover.
- Expanded and enhanced Robotic Surgery Program resulting in increased usage by over 200% across three service lines. Initiated the procurement and implementation of the Advisory Board Surgical Compass System to verify and benchmark perioperative data captured in the Operating Room Information System.
- Medical Center leadership and academic roles: Chairman of Laser Safety Committee, Chairman of Value Analysis Committee, Co-Chair of Operating Room Committee, Trainer – LifeWings Program.
- Additional committee memberships: Medical Operations, Medical Executive, MRI Safety, Pain and Palliative Care, Capital Purchasing, Space Allocation, Joint Committee Readiness, Disaster Planning, OR Block Utilization.
- Successfully completed surveys for JCAHO, NYSDOH, ACGME and UNOS. Obtained Center of Excellence awards for bariatric and spine surgery.
- Revised surgical block schedule to maximize utilization and decrease labor expense.
- Led hospital negotiations and contract compliance for outsourced anesthesiology contract including all financial, operational and regulatory issues.
- Collaborate with Chairmen to oversee residency programs in Anesthesiology and Orthopedics.

Senior Director, Perioperative Services—2006 to 2009

Perioperative Services, Department of Anesthesiology, Endoscopy Unit, Emergency Department and Department of Urology

SAINT VINCENT'S CATHOLIC MEDICAL CENTER—NEW YORK, N.Y.

Recruited to drive business and operational initiatives of the perioperative patient care delivery system, to maximize productivity and contain expenses while supporting quality, safety and physician satisfaction. Managed an operating budget of $45 million for a total of 11 cost centers, 18 operating rooms and supervised 225 full-time employees. Responsible for all regulatory compliance.

- Directed the development and installation of GE Centricity Operating Room Information System.
- Responsible for build-out of the Philips Allura FD20 Surgical Navigation Suite; obtained Certificate of Need, secured financing, negotiated contracts and oversee construction.
- Streamlined operating room materials and inventory management costs resulting in over $1million in savings.
- Formulated and launched a monthly management program with NYSNA (Nursing Union) to improve communication and enhance productivity for union nurses.
- Managed design and construction of Endoscopic Ultrasound suite, negotiated equipment purchase and oversaw staff acquisition for newly created Pancreatic Center.
- Championed weekly management educational sessions and developed progressive training around the business of medicine to teach basic management skills to newly appointed clinical managers.
- Leadership roles: Co-Chair of the Capital Committee, Co-Chair of the Transportation Committee, Emergency Preparedness Coordinator responsible for hospital disaster planning.

- Managed all aspects of construction for 2 complete operating rooms dedicated to spine and neurosurgical patients.
- Revised surgical blocks in collaboration with clinical Chairman to maximize resources and accommodate growth.
- Analyzed and improved operating room first case starts and turnover times via daily tracking and reporting.
- Coordinated with Chairman to oversee all research and IRB approvals.
- Successfully completed JCAHO, DOH and ACGME surveys.

Director, Business and Clinical Affairs—2002 to 2006

Department of Otorhinolaryngology, Head and Neck Surgery, Audiology and Speech Therapy

MONTEFIORE MEDICAL CENTER—BRONX, N.Y.

Responsible for all financial, operational and regulatory aspects of department for 40 full-time employees, 10 attending and 29 voluntary physicians. Managed an annual operating budget of over $4 million encompassing 38,000 patient visits.

- Increased department revenue by 36% in three years.
- Directed and managed ACGME accredited Residency program with a total of 20 residents.
- Administered NIH grant budgets of $1.5 million titled "Reducing Surgical Errors".
- Optimized department workflow, documentation procedures and adherence to safety guidelines resulting in a successful JCAHO survey in 2003.
- Revised all billing, collections and physician accountability for professional revenue cycle.

Administrator – 1999 to 2002

The Spine Institute

BETH ISRAEL MEDICAL CENTER—NEW YORK, N.Y.

Responsible for day-to-day business management, regulatory compliance and oversight of all aspects of orthopedic surgery and physiatrist practices.

- Increased annual revenue by 177% from $4.8 million in 1998 to $8.5 million in 2001; increased physicians on staff from five to seven within one year; expanded Spine Institute reach into Westchester County and increased patient referral base.
- Successfully completed JCAHO surveys in 1999 and 2002.
- Developed and launched commercial marketing campaign supported by local cable channels to increase awareness of services offered within the Spine Institute.
- Led the establishment of, and successfully obtained the grants for, the Spine Surgery Research Program.
- Maximized revenue potential through expansion of GME program through billing of Fellow's services.
- Created weekly billing and collections accountability meetings with physicians and billing staff.

Administrator—1996 to 1998

Rehabilitation and Fitness Pavilion

LONG BEACH MEDICAL CENTER – LONG BEACH, N.Y.

- Directed merger implementation and integration of private physical therapy practice with community medical center (250 beds). Developed budget and assisted in development of 10,000 square foot ambulatory facility.
- Reduced $1.5 million accounts receivable to $400,000 within 18 months by restructuring the billing and collection operation with an outsourced vendor.
- Led cost savings initiative and operational streamlining for medical practice generating $1.5 million (gross) per year.
- Responsible for all third-party payer negotiations.
- Assumed all regulatory and compliance oversight for clinical freestanding facility.

Territory Coordinator—1995 to 1996

Provider Relations

US HEALTHCARE—UNIONDALE, N.Y.

- Managed all aspects of designated primary and specialist physician relations with managed care company.
- Responsible for all physician recruitment and retention within geographical territory.

Education

Master of Healthcare Administration, Management and Finance • Cornell University, Ithaca, NY—1995

Bachelor of Arts, Psychology • Yale University, New Haven, CT—1993
-Varsity Football Letterman

Academic Appointments

Assistant Professor, Department of Anesthesiology, New York Medical College, Valhalla, NY

Professional Affiliations

Member, American College of Healthcare Executives
Healthcare Leadership Academy—Healthcare Advisory Board, Washington, DC
Member, Medical Group Management Association
Federal Emergency Management Agency—IS 100, 200, 700, and 800 completed
Member, National Surgical Advisory Committee—MedAssets

1252 Lancaster Rd Lancaster, NH Telephone: 603-991-3142

Rona Glines

Experience

1994-Present Weeks Medical Center Lancaster, NH

Vice President of Physician and Administrative Services

- Responsible for Physician Services, Case Management, Health Information Management and Admitting/Communications.
- Integrated the functions of physician offices and other departments within the organization.
- Responsible for implementation of clinical and financial computer applications for the physician offices and Health Information Management.
- Responsible for implementing an enterprise-wide Department of Case Management.

1985–1994 Weeks Memorial Hospital Lancaster, NH

Patient Accounts Manager/Assistant Director of Fiscal Services

- Responsible for the day-to-day operation of the patient accounting department.
- Ensured adequate cash flow to meet organizational needs.
- Responsible for implementation and upgrade of computerized financial system.
- Assisted managers with completion of departmental budgets.

1980-1985 M&R Glines Auctions Lancaster, NH

Auctioneer/Appraiser

- Responsible for business management functions.
- Set-up and conducted auction sales.
- Performed estate and insurance appraisals for clients.

Education

1985 Plymouth State University Plymouth, NH

- B.S., Business Administration and Computer Science.
- Graduated Summa Cum Laude.

Interests

Antiques, Camping

References

Available upon request.

Lars E. Nielson, MD, FACOG

[redacted]

Experience:

January 2017 – Present	Medical Director-MAT Program (Medication Assisted Therapy) Weeks Medical Center
May 2016 - Present	North Country Healthcare CMO Group
March 2014 - Present	Physician-Chronic Wound Care and Hyperbaric Medicine Weeks Medical Center
June 2006 – Present	Chief Medical Officer Weeks Medical Center
9/2006 – Present	N.H. Foundation for Healthy Communities Member of Medical Executive Committee
1/2007 – 12/2009	Chair DHA Quality and Planning Board
6/2007 – 2015	Chair DHA CMO Committee
6/2006 - Present	Medical Director Family Planning Weeks Medical Center
October 2003 – Present Staff Ob-GYN	Weeks Medical Center Lancaster, NH Chief of Ob-GYN, Member of EMR Task Force
July 1990 - Sept 2003	Littleton Regional Hospital Littleton, NH

Solo Private Practice Ob-GYN

- Full range of reproductive health services including infertility and unrogynecology
- President of Medical Staff, Littleton Regional Hospital, 1999- 2000
- Member, Littleton Regional Hospital Board of Trustees, 2001-2003
- Chair, Medical Records, Utilization Review Committee, 1995-1999

Sept 1995 to Sept 2003 Ammonusuc Community Health Service, Littleton, NH

Director of Reproductive Health

- **Supervised Family Practitioners, Midwives, and Nurse Practitioners**
- **Responsible for Establishing, Reviewing & Revising Clinical Protocols**

July 1986 – June 1990 | 812th Strategic Hospital | Ellsworth AFB, SD

Chief of Ob-GYN

- Provided full range of reproductive health services
- Supervised other Ob-GYNs, Midwives, Nurse Practitioners and other support staff
- Chief of Hospital Services 1985 – 86
- Awarded Meritorious Service Medal

Education

October 2004 – June 2004 — Structural Acupuncture for Physicians, Harvard Medical School, Boston, MA

July 1982 – June 1986 — Medical Center Hospital of Vermont, Burlington, VT
Residency in Obstetrics & Gynecology

September 1978 – May 1982 — Tufts University School of Medicine, Boston, MA
Medical Doctor

September 1972 – May 1976 — University of Vermont, Burlington, VT
BA in Biochemistry

Board Certification American Board of Ob-GYN 1989, Recertified until 12/31/2012

Medical Licensure New Hampshire 1990 - Present

Community Service

Moderator/President First Congregational Church, Littleton, NH 2004 – 2008 and 2016 - 2019

Weathervane Theater Board of Trustees, 1994 – 1996

President, Grafton County Medical Society, 1996 - 2000

Moderator, Shaken Baby Syndrome Conference 1996

Public Speaking

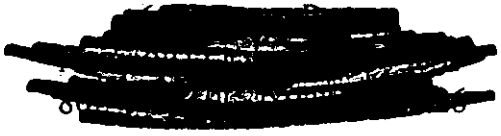
What's the Point of Acupuncture? Weeks Medical Center/UCVH Women's Health Conference 2006

Your Sex Drive and How to Get it Back, Weeks Medical Center/UCVH Women's Health Conference 2005

Menopause 101, Weeks Medical Center/UCVH Women's Health Conference 2004

Emergency Childbirth, Northern New England EMT Conference 2001 & 2003

CHRISITNE FORTIN, CPC, COC



Experience
North Country Hospital, Newport VT

* *Director Patient Financial Service/Facility/Professional/Patient Access 2011- Present*
* *Director Patient Financial Service/Professional/Practice Management 1999-2011*

    * Responsible for Revenue Cycle Operations for Facility and Professionl Services
    * Oversee and manage Patient Access directly and indirectly including ER Registration
    * Implements procedures and policies to maximize reimbursement and maintain compliance
    * Continually evaluate and analyze ongoing departmental issues to strategize
    * Negotiating payment plans with vendors
    * Determine appropriate operational changes and coordinates changes as necessary.
    * Reports to CFO and COO indirectly with regard to Professional Services
    * Consistently ran departments under or at budget for several years and continue to do so
    * Solid working relationship with Senior Leadership, Department Mangers and Auditors
    * Managed multiple practices while managing professional billing operations including Orthopaedics, Neurology, Urology, Anesthesia, Primary Care (1999-2011)

* *Assistant to Medical Director 1996-1999*
  *Assisted MGO with multi-specialty medical clinics.

* *Practice Manager North Country Obstetrics & Gynecology 1989-1996*
    * Managed day to day operations obstetrical practice with two physicians and certified midwife Started as receptionist and Managed the clinic last 3 years of service

* *Rockingham Orthopaedics Associates, Derry NH 1986-1989*
  Administrative Assistant

Education/Certification
Certified Coder for Professional and Outpatient Coding
QHR Lean Healthcare Certification

Johnson State College – Johnson, Vermont
* *Business Management with a concentration in Accounting;*

Androscoggin Valley Hospital

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jarrett Stern	Special Projects Executive	$225,000	33%	$75,000/Yr
Lars Nielson, MD	Medical Director -Contract	$322,400	20%	$64,480/Yr
Rona Glines	VP Administration-Contract	$165,401	5%	$8,271/Yr
Christine Fortin	Administration-Contract	$103,000	5%	$5,150/Yr

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-03)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Concord Hospital, Inc.		1.4 Contractor Address 250 PLEASANT ST, CONCORD, NH, 03301	
1.5 Contractor Phone Number (603) 225-2711	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,845,257
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature [signature]		1.12 Name and Title of Contractor Signatory Robert P. Steigmeyer President + CEO	

1.13 Acknowledgement: State of NH, County of Merrimack

On 10/17/18, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[signature]

1.13.2 Name and Title of Notary or Justice of the Peace

C Lamontagne Notary

1.14 State Agency Signature [signature] Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director
1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:	Director, On:
1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: [signature]	On: Megan A. Yost-Attorney 10/19/18
1.18 Approval by the Governor and Executive Council *(if applicable)* By:	On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials MAS
Date 10/17/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

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14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials MJJ

Date 10/17/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Concord Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Concord Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.

2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.

3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685.

4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.

5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.

6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.

7. The Contractor shall not use funds to pay for bricks and mortar expenses.

8. The Contractor shall include in their budget, at their discretion the following:

   8.1. Funds to meet staffing requirements of the contract

   8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts

   8.3. Funds to meet the GPRA and reporting requirements of the contract

   8.4. Funds to meet staff training requirements of the contract

9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.

10. Payment for said services shall be made monthly as follows:

    10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.

    10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.

    10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

Exhibit B-1

New Hampshire Department of Health and Human Services

Bidder/Program Name: Concord Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2018)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 412,440	$ 41,244	$ 453,684			$ -	$ 412,440	$ 41,244	$ 453,684
2. Employee Benefits	$ 123,732	$ 12,373	$ 136,105			$ -	$ 123,732	$ 12,373	$ 136,105
3. Consultants	$ 24,000	$ 2,400	$ 26,400			$ -	$ 24,000	$ 2,400	$ 26,400
4. Equipment	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Repair and Maintenance	$ 1,125	$ 113	$ 1,238			$ -	$ 1,125	$ 113	$ 1,238
Purchase/Depreciation	$ 22,500	$ 2,250	$ 24,750			$ -	$ 22,500	$ 2,250	$ 24,750
5. Supplies:	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Educational	$ 11,000	$ 1,100	$ 12,100			$ -	$ 11,000	$ 1,100	$ 12,100
Lab	$ 5,500	$ 550	$ 6,050			$ -	$ 5,500	$ 550	$ 6,050
Pharmacy	$ 3,000	$ 300	$ 3,300			$ -	$ 3,000	$ 300	$ 3,300
Medical	$ 7,500	$ 750	$ 8,250			$ -	$ 7,500	$ 750	$ 8,250
Office	$ 5,864	$ 596	$ 6,560			$ -	$ 5,964	$ 596	$ 6,560
6. Travel	$ 10,000	$ 1,000	$ 11,000			$ -	$ 10,000	$ 1,000	$ 11,000
7. Occupancy	$ 39,500	$ 3,950	$ 43,450			$ -	$ 39,500	$ 3,950	$ 43,450
8. Current Expenses	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Telephone	$ 5,000	$ 500	$ 5,500			$ -	$ 5,000	$ 500	$ 5,500
Postage	$ 1,500	$ 150	$ 1,650			$ -	$ 1,500	$ 150	$ 1,650
Subscriptions	$ 1,000	$ 100	$ 1,100			$ -	$ 1,000	$ 100	$ 1,100
Audit and Legal	$ 15,000	$ 1,500	$ 16,500			$ -	$ 15,000	$ 1,500	$ 16,500
Insurance	$ 25,000	$ 2,500	$ 27,500			$ -	$ 25,000	$ 2,500	$ 27,500
Board Expenses	$ -	$ -	$ -			$ -	$ -	$ -	$ -
9. Software	$ 17,250	$ 1,725	$ 18,975			$ -	$ 17,250	$ 1,725	$ 18,975
10. Marketing/Communications	$ 10,000	$ 1,000	$ 11,000			$ -	$ 10,000	$ 1,000	$ 11,000
11. Staff Education and Training	$ 10,500	$ 1,050	$ 11,550			$ -	$ 10,500	$ 1,050	$ 11,550
12. Subcontracts/Agreements	$ -	$ -	$ -			$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Naloxone	$ 60,000	$ 6,000	$ 66,000			$ -	$ 60,000	$ 6,000	$ 66,000
Flex Funds	$ 50,000	$ 5,000	$ 55,000			$ -	$ 50,000	$ 5,000	$ 55,000
	$ -	$ -	$ -			$ -			
TOTAL	$ 861,511	$ 86,151	$ 947,662	$ -	$ -	$ -	$ 861,511	$ 86,151	$ 947,662

Indirect As A Percent of Direct 10.0%

Contractor Initials

Date 10/17/18

Exhibit B-2

New Hampshire Department of Health and Human Services

Bidder/Program Name: Concord Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 388,763	$ 38,876	$ 388,763			$ -	$ 388,763	$ 38,876	$ 388,763
2. Employee Benefits	$ 111,994	$ 11,199	$ 111,994			$ -	$ 111,994	$ 11,199	$ 111,994
3. Consultants	$ -	$ -	$ -			$ -		$ -	$ -
4. Equipment	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Repair and Maintenance	$ 1,159	$ 116	$ 1,159			$ -	$ 1,159	$ 116	$ 1,159
Purchase/Depreciation	$ 15,450	$ 1,545	$ 15,450			$ -	$ 15,450	$ 1,545	$ 15,450
5. Supplies	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Educational	$ 6,180	$ 618	$ 6,180			$ -	$ 6,180	$ 618	$ 6,180
Lab	$ 5,665	$ 567	$ 5,665			$ -	$ 5,665	$ 567	$ 5,665
Pharmacy	$ 3,090	$ 309	$ 3,090			$ -	$ 3,090	$ 309	$ 3,090
Medical	$ 2,575	$ 258	$ 2,575			$ -	$ 2,575	$ 258	$ 2,575
Office	$ 3,568	$ 357	$ 3,568			$ -	$ 3,568	$ 357	$ 3,568
6. Travel	$ 10,300	$ 1,030	$ 10,300			$ -	$ 10,300	$ 1,030	$ 10,300
7. Occupancy	$ 40,685	$ 4,069	$ 40,685			$ -	$ 40,685	$ 4,069	$ 40,685
8. Current Expenses	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Telephone	$ 5,150	$ 515	$ 5,150			$ -	$ 5,150	$ 515	$ 5,150
Postage	$ 1,545	$ 155	$ 1,545			$ -	$ 1,545	$ 155	$ 1,545
Subscriptions	$ 1,030	$ 103	$ 1,030			$ -	$ 1,030	$ 103	$ 1,030
Audit and Legal	$ 10,300	$ 1,030	$ 10,300			$ -	$ 10,300	$ 1,030	$ 10,300
Insurance	$ 20,259	$ 2,026	$ 20,259			$ -	$ 20,259	$ 2,026	$ 20,259
Board Expenses	$ -	$ -	$ -			$ -	$ -	$ -	$ -
9. Software	$ 2,318	$ 232	$ 2,318			$ -	$ 2,318	$ 232	$ 2,318
10. Marketing/Communications	$ 5,150	$ 515	$ 5,150			$ -	$ 5,150	$ 515	$ 5,150
11. Staff Education and Training	$ 10,815	$ 1,082	$ 10,815			$ -	$ 10,815	$ 1,082	$ 10,815
12. Subcontracts/Agreements	$ -	$ -	$ -			$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -			$ -	$ -	$ -	$ -
Naloxone	$ 120,000	$ 12,000	$ 120,000			$ -	$ 120,000	$ 12,000	$ 120,000
Flex Funds	$ 50,000	$ 5,000	$ 50,000			$ -	$ 50,000	$ 5,000	$ 50,000
	$ -	$ -	$ -			$ -		$ -	$ -
TOTAL	$ 815,995	$ 81,600	$ 897,595	$ -	$ -	$ -	$ 815,995	$ 81,600	$ 897,595
Indirect As A Percent of Direct		10.0%							

Contractor Initials

Date 10/17/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

250 Pleasant St
Concord, Merrimack, NH 03301

40 Pleasant St
Concord, Merrimack, NH 03301

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name: Concord Hospital

10/17/18
Date

Name: Robert P. Steigmeyer
Title: Pres. Dent & CEO

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name: Concord Hospital

10/17/12
Date

Name: Robert P. Steigmeyer
Title: President + CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Concord Hospital

10/17/18
Date

Name: Robert P. Steigmeyer
Title: President + CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name: Concord Hospital

10/17/18
Date

Name: Robert P. Steigmeyer
Title: President + CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Concord Hospital

10/17/18
Date

Name: Robert P. Steigmeyer
Title: President + CEO

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

Contractor Initials

Date 10/17/14

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Concord Hospital

10/17/18
Date

Name: Robert P. Steigmeyer
Title: President + CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 07-3977399

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ___X___NO _____YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____NO _____YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONCORD HOSPITAL, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 29, 1985. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 74948

Certificate Number : 0004077565

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 2nd day of April A.D. 2018.

William M. Gardner

Secretary of State

CERTIFICATE

I, William Chapman, Secretary of Concord Hospital, Inc. do hereby certify:

1) I maintain and have custody of and am familiar with the seal and minute books of the corporation;
2) I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
3) The following is a true and complete copy of the resolution adopted by the board of trustees of the corporation at a meeting of that board on March 21, 2005 which meeting was held in accordance with the law of the state of incorporation and the bylaws of the corporation:

   The motion was made, seconded and the Board unanimously voted that the powers and duties of the President shall include the execution of all contracts and other legal documents on behalf of the corporation, unless some other person is specifically so designated by the Board, by law, or pursuant to the administrative policy addressing contract and expenditure approval levels.

4) the foregoing resolution is in full force and effect, unamended, as of the date hereof; and
5) the following persons lawfully occupy the offices indicated below:

   Robert P. Steigmeyer, President
   Scott W. Sloane, Chief Financial Officer

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the Corporation this 19th day of October, 2018.

(Corporate seal)

William Chapman
Secretary

State of: NH

County of: Merrimack

On this, the 19 *day of* October, 20 18, *before me a notary public, the undersigned officer, personally appeared* William Chapman, *known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed the same for the purposes therein contained.*
In witness whereof, I hereunto set my hand and official seal.

KATHLEEN G. LAMONTAGNE
MY COMMISSION EXPIRES NOV. 18, 2020
NOTARY PUBLIC
NEW HAMPSHIRE
(Seal)

Kathleen G. Lamontagne
Notary Public

My Commission expires: 11/18/20

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 - Attn: Boston.certrequest@Marsh.com 319078-CHS-gener-18-19	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Granite Shield Insurance Exchange	
INSURED CAPITAL REGION HEALTHCARE CORPORATION & CONCORD HOSPITAL, INC. ATTN: JESSICA FANJOY 250 PLEASANT STREET CONCORD, NH 03301	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** NYC-009846662-17 **REVISION NUMBER:** 5

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GSIE-PRIM-2018-101	01/01/2018	01/01/2019	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 12,000,000
	POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	DED [ ] RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE [ ] OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] N/A (Mandatory in NH)						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			GSIE-PRIM-2018-101	01/01/2018	01/01/2019		SEE ABOVE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

EVIDENCE OF CURRENT LIABILITY COVERAGE.

GENERAL LIABILITY AND PROFESSIONAL LIABILITY SHARE A COMBINED LIMIT OF 2,000,000/12,000,000. HOSPITAL PROFESSIONAL LIABILITY RETRO ACTIVE-DATE 6/24/1985. Each occurrence and aggregate limits are shared amongst The Granite Shield Exchange Hospitals.

CERTIFICATE HOLDER

DEPARTMENT OF HEALTH & HUMAN SERVICES
CONTRACTS AND PROCUREMENT UNIT
129 PLEASANT STREET
CONCORD, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

Elizabeth Stapleton

CAPIREG-01 DMCDONALD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/09/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 100 Central Street, Suite 201 Holliston, MA 01746	CONTACT NAME: Dan McDonald PHONE (A/C, No, Ext): (508) 808-7293 FAX (A/C, No): (866) 235-7129 E-MAIL ADDRESS: dan.mcdonald@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Safety National Casualty Corporation — 15105
INSURED Capital Region Healthcare Corporation Concord Hospital 250 Pleasant Street Concord, NH 03301	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		SP4059434	10/01/2018	10/01/2019	X PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Workers Compensation coverage

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

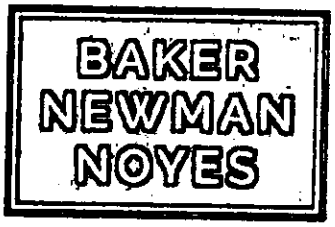
AUTHORIZED REPRESENTATIVE

Concord Hospital Mission Statement

Concord Hospital is a charitable organization
which exists to meet the health needs of individuals
within the communities it serves.

It is the established policy of Concord Hospital to provide services on the sole basis of the medical necessity of such services as determined by the medical staff without reference to race, color, ethnicity, national origin, sexual orientation, marital status, religion, age, gender, disability, or inability to pay for such services.

Approved by Board of Trustees 10-21-02; Reaffirmed by Board 11-23-03, 11-15-04, 11-21-05, 11-20-06, 11-19-07, 11-17-08, 11-16-09, 10-18-10, 9-19-11, 9-24-12, 9-23-13, 9-22-14, 9-28-15, 9-26-16, 9-25-17, 9-24-18



Concord Hospital, Inc. and Subsidiaries

Audited Consolidated Financial Statements

Years Ended September 30, 2017 and 2016
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

Audited Consolidated Financial Statements

Years Ended September 30, 2017 and 2016

CONTENTS

BAKER NEWMAN NOYES

MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Concord Hospital, Inc.

We have audited the accompanying consolidated financial statements of Concord Hospital, Inc. and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of September 30, 2017 and 2016, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
December 1, 2017

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2017 and 2016

ASSETS
(In thousands)

	2017	2016
Current assets:		
Cash and cash equivalents	$ 3,799	$ 6,555
Short-term investments	7,552	19,512
Accounts receivable, less allowance for doubtful accounts of $11,234 in 2017 and $9,858 in 2016	51,344	52,693
Due from affiliates	634	270
Supplies	1,777	1,262
Prepaid expenses and other current assets	5,855	4,760
Total current assets	70,961	85,052
Assets whose use is limited or restricted:		
Board designated	290,686	260,287
Funds held by trustee for workers' compensation reserves and self-insurance escrows	16,515	14,328
Donor-restricted funds and restricted grants	40,350	37,517
Total assets whose use is limited or restricted	347,551	312,132
Other noncurrent assets:		
Due from affiliates, net of current portion	1,223	1,615
Other assets	15,052	11,848
Total other noncurrent assets	16,275	13,463
Property and equipment:		
Land and land improvements	6,426	7,003
Buildings	190,585	179,824
Equipment	246,586	235,334
Construction in progress	38,725	16,413
	482,322	438,574
Less accumulated depreciation	(305,312)	(282,034)
Net property and equipment	177,010	156,540
	$ 611,797	$ 567,187

LIABILITIES AND NET ASSETS
(In thousands)

	2017	2016
Current liabilities:		
Short-term notes payable	$ 15	$ 459
Accounts payable and accrued expenses	39,611	30,104
Accrued compensation and related expenses	25,580	22,830
Accrual for estimated third-party payor settlements	27,382	22,459
Current portion of long-term debt	8,822	8,570
Total current liabilities	101,410	84,422
Long-term debt, net of current portion	76,501	85,399
Accrued pension and other long-term liabilities	60,536	99,258
Total liabilities	238,447	269,079
Net assets:		
Unrestricted	335,148	262,934
Temporarily restricted	17,800	15,293
Permanently restricted	20,402	19,881
Total net assets	373,350	298,108
	$ 611,797	$ 567,187

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2017 and 2016
(In thousands)

	2017	2016
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	$468,347	$434,961
Provision for doubtful accounts	(20,018)	(17,251)
Net patient service revenue less provision for doubtful accounts	448,329	417,710
Other revenue	19,350	20,998
Disproportionate share revenue	12,717	7,800
Net assets released from restrictions for operations	1,191	1,232
Total unrestricted revenue and other support	481,587	447,740
Operating expenses:		
Salaries and wages	220,255	208,274
Employee benefits	56,889	55,298
Supplies and other	95,948	87,060
Purchased services	32,373	29,297
Professional fees	5,222	4,678
Depreciation and amortization	24,378	24,535
Medicaid enhancement tax	20,311	19,679
Interest expense	2,918	3,700
Total operating expenses	458,294	432,521
Income from operations	23,293	15,219
Nonoperating income:		
Unrestricted gifts and bequests	1,619	251
Investment income and other	10,476	27,497
Total nonoperating income	12,095	27,748
Excess of revenues and nonoperating income over expenses	$ 35,388	$ 42,967

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2017 and 2016
(In thousands)

	2017	2016
Unrestricted net assets:		
Excess of revenues and nonoperating income over expenses	$ 35,388	$ 42,967
Net unrealized gains (losses) on investments	23,122	(5,098)
Net transfers from affiliates	498	189
Net assets released from restrictions used for purchases of property and equipment	108	1,331
Pension adjustment	13,098	(24,836)
Increase in unrestricted net assets	72,214	14,553
Temporarily restricted net assets:		
Restricted contributions and pledges	1,423	1,539
Restricted investment income	682	2,181
Contributions to affiliates and other community organizations	(163)	(184)
Net unrealized gains (losses) on investments	1,864	(540)
Net assets released from restrictions for operations	(1,191)	(1,232)
Net assets released from restrictions used for purchases of property and equipment	(108)	(1,331)
Increase in temporarily restricted net assets	2,507	433
Permanently restricted net assets:		
Restricted contributions and pledges	126	319
Unrealized gains on trusts administered by others	395	118
Increase in permanently restricted net assets	521	437
Increase in net assets	75,242	15,423
Net assets, beginning of year	298,108	282,685
Net assets, end of year	$373,350	$298,108

See accompanying notes.

CONCORD HOSPITAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2017 and 2016
(In thousands)

	2017	2016
Cash flows from operating activities:		
Increase in net assets	$ 75,242	$ 15,423
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Restricted contributions and pledges	(1,549)	(1,858)
Depreciation and amortization	24,378	24,535
Net realized and unrealized gains on investments	(29,975)	(19,808)
Bond premium and issuance cost amortization	(75)	(75)
Provision for doubtful accounts	20,018	17,251
Equity in earnings of affiliates, net	(5,812)	(6,170)
Loss on disposal of property and equipment	202	163
Pension adjustment	(13,098)	24,836
Changes in operating assets and liabilities:		
Accounts receivable	(18,669)	(14,840)
Supplies, prepaid expenses and other current assets	(1,610)	1,305
Other assets	(3,702)	2,352
Due from affiliates	28	441
Accounts payable and accrued expenses	(1,411)	362
Accrued compensation and related expenses	2,750	(4,212)
Accrual for estimated third-party payor settlements	4,923	8,136
Accrued pension and other long-term liabilities	(25,624)	(7,266)
Net cash provided by operating activities	26,016	40,575
Cash flows from investing activities:		
Increase in property and equipment, net	(34,132)	(32,533)
Purchases of investments	(66,306)	(120,966)
Proceeds from sales of investments	72,671	113,592
Equity distributions from affiliates	6,310	5,778
Net cash used by investing activities	(21,457)	(34,129)
Cash flows from financing activities:		
Payments on long-term debt	(8,571)	(8,338)
Change in short-term notes payable	(444)	(1,953)
Restricted contributions and pledges	1,700	2,304
Net cash used by financing activities	(7,315)	(7,987)
Net decrease in cash and cash equivalents	(2,756)	(1,541)
Cash and cash equivalents at beginning of year	6,555	8,096
Cash and cash equivalents at end of year	$ 3,799	$ 6,555

Supplemental disclosure:
At September 30, 2017, amounts totaling $10,918 related to the purchase of property and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Concord Hospital, Inc., (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Region Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new hospital. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, the Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic permanent and temporarily restricted funds, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2017 and 2016 to certain debt described in Note 6.

Subsidiaries of the Hospital include:

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities in cooperation with other entities.

CH/DHC, Inc. d/b/a Dartmouth-Hitchcock-Concord (CH/DHC) is a not-for-profit corporation that provides clinical medical services through a multi-specialty group practice. CH/DHC was formed under a joint agreement between the Hospital and DH-Concord. The joint agreement terminated effective September 30, 2015.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC and CH/DHC. All significant intercompany balances and transactions have been eliminated in consolidation.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts, including estimated uncollectible amounts from uninsured patients. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk. The Hospital's investment in one fund, the Vanguard Institutional Index Fund, exceeded 10% of total Hospital investments as of September 30, 2017 and 2016.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

Supplies

Supplies are carried at the lower of cost, determined on a weighted-average method, or net realizable value.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under workers' compensation reserves and self-insurance escrows, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues and nonoperating income over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues and nonoperating income over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are unrestricted. The System's interest in the fair value of the trust assets is included in assets whose use is limited and as permanently restricted net assets. Changes in the fair value of beneficial trust assets are reported as increases or decreases to permanently restricted net assets.

Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The System's allowance for doubtful accounts for self-pay patients represented 71% and 70% of self-pay accounts receivable at September 30, 2017 and 2016, respectively. The total provision for the allowance for doubtful accounts was $20,018 and $17,251 for the years ended September 30, 2017 and 2016, respectively. The System also allocates a portion of the allowance and provision for doubtful accounts to charity care, which is not recorded as revenue. The System's self-pay bad debt writeoffs decreased $1,345, from $22,132 in 2016 to $20,787 in 2017. The decrease in bad debt writeoffs between 2017 and 2016 was primarily a result of certain shifts in payor mix.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2017 and 2016, depreciation expense was $24,378 and $24,535, respectively.

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. During 2017, the Hospital capitalized $509 of interest expense relating to various construction projects. There was no interest capitalized during 2016. At September 30, 2017, the Hospital has outstanding construction commitments totaling approximately $70.5 million for a new parking garage, utility work and medical office building. Construction is expected to begin in the Spring of 2018.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support, and are excluded from the excess of revenues and nonoperating income over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

Bond Issuance Costs/Original Issue Discount or Premium

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are amortized to interest expense using the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium and bond issuance costs are presented as a component of bonds payable.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 11). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Funds received from gifts and grants to subsidize charity services provided for the years ended September 30, 2017 and 2016 were approximately $278 and $330, respectively.

Temporarily and Permanently Restricted Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for purchases of property and equipment (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. For the years ended September 30, 2017 and 2016, net patient service revenue in the accompanying consolidated statements of operations increased (decreased) by approximately $1,300 and $(500), respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 32% and 5% and 31% and 6% of the Hospital's net patient service revenue for the years ended September 30, 2017 and 2016, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Excess of Revenues and Nonoperating Income Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for unrestricted contributions and pledges, the related philanthropy expenses and investment income which are recorded as nonoperating income.

The consolidated statements of operations also include excess of revenues and nonoperating income over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and nonoperating income over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities or losses considered other than temporary, permanent transfers of assets to and from affiliates for other than goods and services, pension liability adjustments and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Estimated Workers' Compensation and Health Care Claims

The provision for estimated workers' compensation and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

The Hospital, CRHCDC, CRHVC, CH/DHC and the Trust are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Advertising Costs

The System expenses advertising costs as incurred, and such costs totaled approximately $217 and $200 for the years ended September 30, 2017 and 2016, respectively.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the System expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the System on October 1, 2018. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The System is evaluating the impact that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the System on October 1, 2019, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The System is currently evaluating the impact of the pending adoption of ASU 2016-02 on the System's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities (Topic 958)* (ASU 2016-14). Under ASU 2016-14, the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions". ASU 2016-14 also enhances certain disclosures regarding board designations, donor restrictions and qualitative information regarding management of liquid resources. In addition to reporting expenses by functional classifications, ASU 2016-14 will also require the financial statements to provide information about expenses by their nature, along with enhanced disclosures about the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for the System's fiscal year ending September 30, 2019, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2016-14 on the System's consolidated financial statements.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the System's fiscal year ended September 30, 2019, and early adoption is permitted. ASU 2016-18 must be applied using a retrospective transition method. The System is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 will require that an employer report the service cost component of net periodic pension cost in the same line item as other compensation costs arising from services rendered by employees during the period. The other components of net periodic pension cost are required to be presented in the income statement separately and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the System on October 1, 2018, with early adoption permitted. The System is currently evaluating the impact of the pending adoption of ASU 2017-07 on its consolidated financial statements.

Subsequent Events

Management of the System evaluated events occurring between the end of the System's fiscal year and December 1, 2017, the date the consolidated financial statements were available to be issued.

2. **Transactions With Affiliates**

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2017 and 2016, transfers made to CRHC were $(114) and $(129), respectively, and transfers received from Capital Region Health Services Corporation (CRHSC) were $612 and $318, respectively.

A brief description of affiliated entities is as follows:

- CRHSC is a for-profit provider of health care services, including an eye surgery center and assisted living facility.
- Concord Regional Visiting Nurse Association, Inc. and Subsidiary (CRVNA) provides home health care services.
- Riverbend, Inc. provides behavioral health services.

(In thousands)

2. Transactions With Affiliates (Continued)

Amounts due the System, primarily from joint ventures, totaled $1,857 and $1,885 at September 30, 2017 and 2016, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables ($810 and $851 at September 30, 2017 and 2016, respectively) with principal and interest (6.75% at September 30, 2017) payments due monthly. Interest income amounted to $52 and $59 for the years ended September 30, 2017 and 2016, respectively.

Contributions to affiliates and other community organizations from temporarily restricted net assets were $163 and $184 in 2017 and 2016, respectively.

3. Investments and Assets Whose Use is Limited or Restricted

Short-term investments totaling $7,552 and $19,512 at September 30, 2017 and 2016, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30:

	2017	2016
Board designated funds:		
Cash and cash equivalents	$ 3,582	$ 625
Fixed income securities	22,805	25,139
Marketable equity and other securities	243,906	214,931
Inflation-protected securities	20,393	19,592
	290,686	260,287
Held by trustee for workers' compensation reserves:		
Fixed income securities	4,120	4,024
Health insurance and other escrow funds:		
Cash and cash equivalents	1,740	1,682
Fixed income securities	2,209	1,783
Marketable equity securities	8,446	6,839
	12,395	10,304
Donor-restricted funds and restricted grants:		
Cash and cash equivalents	5,937	5,189
Fixed income securities	1,848	2,075
Marketable equity securities	19,769	17,739
Inflation-protected securities	1,654	1,615
Trust funds administered by others	11,002	10,607
Other	140	292
	40,350	37,517
	$347,551	$312,132

(In thousands)

3. **Investments and Assets Whose Use is Limited or Restricted (Continued)**

Included in marketable equity and other securities above are $173,052 and $133,944 at September 30, 2017 and 2016, respectively, in so called alternative investments and collective trust funds. See also Note 14.

Investment income, net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30:

	2017	2016
Unrestricted net assets:		
Interest and dividends	$ 4,466	$ 3,505
Investment income from trust funds administered by others	494	567
Net realized gains on sales of investments	4,255	23,408
	9,215	27,480
Restricted net assets:		
Interest and dividends	343	261
Net realized gains on sales of investments	339	1,920
	682	2,181
	$ 9,897	$ 29,661
Net unrealized gains (losses) on investments:		
Unrestricted net assets	$23,122	$ (5,098)
Temporarily restricted net assets	1,864	(540)
Permanently restricted net assets	395	118
	$25,381	$ (5,520)

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was $1,655 and $1,695 in 2017 and 2016, respectively.

Investment management fees expensed and reflected in nonoperating income were $851 and $858 for the years ended September 30, 2017 and 2016, respectively.

(In thousands)

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2017 and 2016:

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2017						
Marketable equity securities	$36,725	$ (740)	$13,064	$ (6,119)	$49,789	$ (6,859)
Fund-of-funds	22,720	(332)	–	–	22,720	(332)
Collective trust funds	5,906	(94)	–	–	5,906	(94)
	$65,351	$(1,166)	$13,064	$ (6,119)	$78,415	$ (7,285)
2016						
Marketable equity securities	$ 1,830	$ (86)	$26,503	$ (9,538)	$28,333	$ (9,624)
Fund-of-funds	7,785	(215)	15,822	(990)	23,607	(1,205)
Collective trust funds	–	–	18,156	(1,713)	18,156	(1,713)
	$ 9,615	$ (301)	$60,481	$(12,241)	$70,096	$(12,542)

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes there are no securities that have suffered an other-than-temporary decline in value at September 30, 2017 and 2016.

4. Defined Benefit Pension Plan

The System has a noncontributory defined benefit pension plan (the Plan), covering all eligible employees of the System and subsidiaries. The Plan provides benefits based on an employee's years of service, age and the employee's compensation over those years. The System's funding policy is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA).

The System accounts for its defined benefit pension plan under ASC 715, *Compensation Retirement Benefits*. This Statement requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

(In thousands)

4. **Defined Benefit Pension Plan (Continued)**

The following table summarizes the Plan's funded status at September 30, 2017 and 2016:

	2017	2016
Funded status:		
Fair value of plan assets	$ 233,739	$ 185,404
Projected benefit obligation	(277,075)	(270,534)
	$ (43,336)	$ (85,130)
Activities for the year consist of:		
Benefit payments and administrative expenses	$ 16,256	$ 9,230
Net periodic benefit cost	14,283	12,460

The table below presents details about the System's defined benefit pension plan, including its funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost:

	2017	2016
Change in benefit obligation:		
Benefit obligation at beginning of year	$270,534	$229,888
Service cost	10,510	9,836
Interest cost	10,662	10,761
Actuarial loss	1,625	29,279
Benefit payments and administrative expenses	(16,256)	(9,230)
Benefit obligation at end of year	$277,075	$270,534
Change in plan assets:		
Fair value of plan assets at beginning of year	$185,404	$165,053
Actual return on plan assets	21,591	12,581
Employer contributions	43,000	17,000
Benefit payments and administrative expenses	(16,256)	(9,230)
Fair value of plan assets at end of year	$233,739	$185,404
Funded status and amount recognized in noncurrent liabilities at September 30	$(43,336)	$(85,130)

(In thousands)

4. **Defined Benefit Pension Plan (Continued)**

Amounts recognized as a change in unrestricted net assets during the years ended September 30, 2017 and 2016 consist of:

	2017	2016
Net actuarial (gain) loss	$ (4,917)	$30,715
Net amortized loss	(8,457)	(6,155)
Prior service credit amortization	276	276
Total amount recognized	$(13,098)	$24,836

Pension Plan Assets

The fair values of the System's pension plan assets as of September 30, 2017 and 2016, by asset category are as follows (see Note 14 for level definitions). In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

	2017 Level 1	2016 Level 1
Short-term investments:		
Money market funds	$ 41,294	$ 11,328
Equity securities:		
Common stocks	9,575	9,251
Mutual funds – international	8,214	13,879
Mutual funds – domestic	45,874	38,471
Mutual funds – natural resources	5,061	4,662
Mutual funds – inflation hedge	8,303	6,369
Fixed income securities:		
Mutual funds – REIT	415	449
Mutual funds – fixed income	15,670	21,527
	134,406	105,936
Funds measured at net asset value:		
Equity securities:		
Funds-of-funds	67,299	47,879
Fixed income securities:		
Funds-of-funds	–	4,715
Collective trust funds	32,034	26,874
Total investments at fair value	$233,739	$185,404

(In thousands)

4. **Defined Benefit Pension Plan (Continued)**

The target allocation for the System's pension plan assets as of September 30, 2017 and 2016, by asset category are as follows:

	2017		2016	
	Target Allocation	Percentage of Plan Assets	Target Allocation	Percentage of Plan Assets
Short-term investments	0-20%	18%	0-20%	6%
Equity securities	40-80%	62	40-80%	65
Fixed income securities	5-80%	7	5-80%	15
Other	0-30%	13	0-30%	14

The funds-of-funds are invested with ten investment managers and have various restrictions on redemptions. One manager holding amounts totaling approximately $9 million at September 30, 2017 allows for semi-monthly redemptions, with 5 days' notice. One manager holding approximately $8 million at September 30, 2017 allows for monthly redemptions, with 15 days' notice. Five managers holding amounts totaling approximately $36 million at September 30, 2017 allow for quarterly redemptions, with notices ranging from 45 to 65 days. Two of the managers holding amounts of approximately $10 million at September 30, 2017 allow for annual redemptions, with notice ranging from 60 to 90 days. One of the managers holding amounts of approximately $5 million at September 30, 2017 allows for redemptions on a three year rolling basis, with a notice of 60 days. There is also a special redemption provision that allows 10% of the investment to be redeemed annually on March 1, with a notice of 30 days. The collective trust funds allow for monthly redemption, with notices ranging from 6 to 10 days. Certain funds also may include a fee estimated to be equal to the cost the fund incurs in converting investments to cash (ranging from 0.5% to 1.5%) or are subject to certain lock periods.

The System considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered include the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from the System's actuaries and investment consultants, and long-term inflation assumptions. The System's expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity securities, fixed income securities, and real estate.

The System's investment policy for its pension plan is to balance risk and returns using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, plan assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The System monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The System's Investment Committee provides oversight of the plan investments and the performance of the investment managers.

(In thousands)

4. **Defined Benefit Pension Plan (Continued)**

Amounts included in expense during fiscal 2017 and 2016 consist of:

	2017	2016
Components of net periodic benefit cost:		
Service cost	$ 10,510	$ 9,836
Interest cost	10,662	10,761
Expected return on plan assets	(15,627)	(14,016)
Amortization of prior service credit and loss	8,738	5,879
Net periodic benefit cost	$ 14,283	$ 12,460

The accumulated benefit obligations for the plan at September 30, 2017 and 2016 were $261,601 and $259,477, respectively.

	2017	2016
Weighted average assumptions to determine benefit obligation:		
Discount rate	4.29%	4.03%
Rate of compensation increase	3.00	2.00
Weighted average assumptions to determine net periodic benefit cost:		
Discount rate	4.03%	4.78%
Expected return on plan assets	7.75	7.75
Cash balance credit rate	5.00	5.00
Rate of compensation increase	2.00	2.00

In selecting the long-term rate of return on plan assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the plan's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2018 are as follows:

Actuarial loss	$ 7,995
Prior service credit	(276)
	$ 7,719

The System funds the pension plan and no contributions are made by employees. The System funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plan in excess of the minimum required amount.

(In thousands)

4. Defined Benefit Pension Plan (Continued)

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund $16,000 in cash contributions to the plan for the 2018 plan year.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ended September 30	Pension Benefits
2018	$ 12,505
2019	13,463
2020	15,149
2021	16,495
2022	17,343
2023 – 2027	100,134

5. Estimated Third-Party Payor Settlements

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee screen basis.

Medicaid Enhancement Tax and Disproportionate Share Payment

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.40% and 5.45% of net patient service revenues in State fiscal years 2017 and 2016, respectively. The amount of tax incurred by the System for 2017 and 2016 was $20,311 and $19,679, respectively.

5. **Estimated Third-Party Payor Settlements (Continued)**

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. DSH payments from the State are recorded within unrestricted revenue and other support and amounted to $12,717 in 2017 and $7,800 in 2016, net of reserves referenced below.

The Centers for Medicare and Medicaid Services (CMS) has completed audits of the State's program and the disproportionate share payments made by the State from 2011 to 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The System has recorded reserves to address its potential exposure based on the audit results to date.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee screen basis.

Other

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, fee schedules, and prospectively determined rates.

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2014 for Medicare and Medicaid.

(In thousands)

6. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30, 2017 and 2016:

	2017	2016
2.0% to 5.0% New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2013A; due in annual installments, including principal and interest ranging from $1,543 to $3,555 through 2043, including unamortized original issue premium of $3,066 in 2017 and $3,187 in 2016	$ 43,091	$ 44,332
1.71% fixed rate NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013B; due in annual installments, including principal and interest ranging from $1,860 to $3,977 through 2024	16,786	20,436
1.3% to 5.6% NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011; due in annual installments, including principal and interest ranging from $2,737 to $5,201 through 2026, including unamortized original issue premium of $175 in 2017 and $194 in 2016	26,289	30,109
	86,166	94,877
Less unamortized bond issuance costs	(843)	(908)
Less current portion	(8,822)	(8,570)
	$ 76,501	$ 85,399

In February 2013, $48,631 (including an original issue premium of $3,631) of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2013A, were issued to assist in the funding of a significant facility improvement project and to advance refund the Series 2001 NHHEFA Hospital Revenue Bonds. The facility improvement project included enhancements to the System's power plant, renovation of certain nursing units, expansion of the parking capacity at the main campus and various other routine capital expenditures and miscellaneous construction, renovation and improvements of the System's facilities.

In March 2011, $49,795 of NHHEFA Revenue Bonds, Concord Hospital Issue, Series 2011, were issued to assist in the funding of a significant facility improvement project and pay off the Series 1996 Revenue Bonds. The project included expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment.

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. In addition, the gross receipts of the Hospital are pledged as collateral for the Series 2011 and 2013A and B Revenue Bonds. The most restrictive financial covenants require a 1.10 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 75 days. The Hospital was in compliance with its debt covenants at September 30, 2017 and 2016.

The obligations of the Hospital under the Series 2013A and B and Series 2011 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to $4,010 (including capitalized interest of $509) and $3,731 for the years ended September 30, 2017 and 2016, respectively.

(In thousands)

6. Long-Term Debt and Notes Payable (Continued)

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 and thereafter are as follows:

2018	$ 8,822
2019	9,061
2020	7,385
2021	5,186
2022	5,339
Thereafter	47,132
	$82,925

The Hospital plans to issue $60 million of tax exempt bonds in December 2017. Proceeds of the bonds will be used for the construction of a new medical office building. In addition, the Series 2017 Bonds will reimburse the Hospital for capital expenditures incurred in association with the construction of a parking garage, as well as routine capital expenditures.

7. Commitments and Contingencies

Malpractice Loss Contingencies

Prior to February 1, 2011, the System was insured against malpractice loss contingencies under claims made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. During 2017, the System paid to transfer its obligation for claims and incidents made and reported under the 2001-2011 policy period to a third party. Under the Loss Portfolio Transfer agreement, the third party assumed obligation for claims and incidents made and reported, including any closed incidents included on loss run reports that may ripen into a claim or suit and are subject to reopening.

Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2017, there were no known malpractice claims outstanding for the System, which, in the opinion of management will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which require loss accruals. The System has established reserves for unpaid claim amounts for Hospital and Physician Professional Liability and General Liability reported claims and for unreported claims for incidents that have been incurred but not reported. The amounts of the reserves total $1,995 and $1,911 at September 30, 2017 and 2016, respectively and are reflected in the accompanying consolidated balance sheets within accrued pension and other long-term liabilities. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

7. Commitments and Contingencies (Continued)

The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. At September 30, 2017, the System's interest in the captive represents approximately 57% of the captive. The System accounts for its investments in the captive under the equity method since control of the captive is shared equally between the participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately $5,400 and $2,945 at September 30, 2017 and 2016, respectively, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating income on the accompanying consolidated statements of operations

In accordance with ASU No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries*, at September 30, 2017 and 2016, the Hospital recorded a liability of approximately $3,800 and $3,100, respectively, related to estimated professional liability losses. At September 30, 2017 and 2016, the Hospital also recorded a receivable of $3,800 and $3,100, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other long-term liabilities and other assets, respectively, on the consolidated balance sheets.

Workers' Compensation

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of $2,455 and $2,447 at September 30, 2017 and 2016, respectively, have been discounted at 3% (both years) and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan. Assets held in trust totaled $4,120 and $4,024 at September 30, 2017 and 2016, respectively, and is included in assets whose use is limited or restricted in the accompanying consolidated balance sheets.

Litigation

The System is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of $440 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2017 and 2016, have been recorded as a liability of $8,799 and $8,174, respectively, and are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

(In thousands)

7. Commitments and Contingencies (Continued)

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under noncancellable lease agreements as of September 30, 2017 are as follows:

Year Ending September 30:	
2018	$ 5,318
2019	4,732
2020	4,346
2021	4,086
2022	3,344
Thereafter	17,954
	$39,780

Rent expense was $6,129 and $5,862 for the years ended September 30, 2017 and 2016, respectively.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2017	2016
Health education and program services	$15,970	$13,655
Capital acquisitions	1,485	1,099
Indigent care	243	270
For periods after September 30 of each year	102	269
	$17,800	$15,293

Income on the following permanently restricted net asset funds is available for the following purposes at September 30:

	2017	2016
Health education and program services	$17,595	$17,115
Capital acquisitions	803	803
Indigent care	1,811	1,811
For periods after September 30 of each year	193	152
	$20,402	$19,881

(In thousands)

9. Patient Service and Other Revenue

Net patient service revenue for the years ended September 30 is as follows:

	2017	2016
Gross patient service charges:		
Inpatient services	$ 488,730	$ 446,448
Outpatient services	609,993	552,939
Physician services	168,161	156,870
Less charitable services	(8,547)	(8,789)
	1,258,337	1,147,468
Less contractual allowances and discounts:		
Medicare	456,339	393,940
Medicaid	110,816	114,502
Other	223,077	204,335
	790,232	712,777
Total Hospital net patient service revenue (net of contractual allowances and discounts)	468,105	434,691
Other entities	242	270
	$ 468,347	$ 434,961

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2017 and 2016 from these major payor sources, is as follows for the Hospital. The provision for doubtful accounts for subsidiaries of the Hospital was not significant in 2017 and 2016.

	Hospital			
	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2017				
Private payors (includes coinsurance and deductibles)	$ 494,628	$(223,077)	$ (9,878)	$261,673
Medicaid	132,747	(110,816)	–	21,931
Medicare	604,179	(456,339)	(2,509)	145,331
Self-pay	26,783	–	(7,652)	19,131
	$1,258,337	$(790,232)	$(20,039)	$448,066

(In thousands)

9. Patient Service and Other Revenue (Continued)

	Hospital			
2016	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
Private payors (includes coinsurance and deductibles)	$ 459,683	$(204,335)	$ (7,864)	$247,484
Medicaid	139,999	(114,502)	–	25,497
Medicare	525,644	(393,940)	(2,237)	129,467
Self-pay	22,142	–	(7,488)	14,654
	$1,147,468	$(712,777)	$(17,589)	$417,102

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. Revenue totaling $148 and $99 associated with these meaningful use attestations was recorded as other revenue for the years ended September 30, 2017 and 2016, respectively.

10. Functional Expenses

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	2017	2016
Health care services	$324,985	$314,591
General and administrative	85,702	70,016
Depreciation and amortization	24,378	24,535
Medicaid enhancement tax	20,311	19,679
Interest expense	2,918	3,700
	$458,294	$432,521

Fundraising related expenses were $940 and $898 for the years ended September 30, 2017 and 2016, respectively.

(In thousands)

11. Charity Care and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital provides traditional charity care, as well as other forms of community benefits. The estimated cost of all such benefits provided is as follows for the years ended September 30:

	2017	2016
Community health services	$ 2,150	$ 1,939
Health professions education	4,398	3,749
Subsidized health services	40,320	35,624
Research	83	94
Financial contributions	752	700
Community building activities	45	46
Community benefit operations	97	77
Charity care costs (see Note 1)	3,669	3,807
	$51,514	$46,036

In addition, the Hospital incurred estimated costs for services to Medicare and Medicaid patients in excess of the payment from these programs of $88,830 and $82,669 in 2017 and 2016, respectively.

12. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents of southern New Hampshire and are insured under third-party payor agreements. The mix of gross receivables from patients and third-party payors as of September 30 is as follows:

	2017	2016
Patients	10%	10%
Medicare	33	33
Anthem Blue Cross	14	13
Cigna	3	4
Medicaid	13	16
Commercial	25	23
Workers' compensation	2	1
	100%	100%

13. Volunteer Services (Unaudited)

Total volunteer service hours received by the Hospital were approximately 20,800 in 2017 and 22,000 in 2016. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

14. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the System performs a detailed analysis of the assets and liabilities. There have been no changes in the methodologies used at September 30, 2017 and 2016. In accordance with ASU 2015-07, certain investments that are measured using the net value per share practical expedient have not been classified in the fair value hierarchy.

(In thousands)

14. **Fair Value Measurements (Continued)**

The following presents the balances of assets measured at fair value on a recurring basis at September 30:

	Level 1	Level 2	Level 3	Total
2017				
Cash and cash equivalents	$ 18,811	$ –	$ –	$ 18,811
Fixed income securities	30,982	–	–	30,982
Marketable equity and other securities	99,069	–	–	99,069
Inflation-protected securities and other	22,187	–	–	22,187
Trust funds administered by others	–	–	11,002	11,002
	$171,049	$ –	$11,002	182,051
Funds measured at net asset value:				
Marketable equity and other securities				173,052
				$355,103
2016				
Cash and cash equivalents	$ 27,008	$ –	$ –	$ 27,008
Fixed income securities	33,021	–	–	33,021
Marketable equity and other securities	105,565	–	–	105,565
Inflation-protected securities and other	21,499	–	–	21,499
Trust funds administered by others	–	–	10,607	10,607
	$187,093	$ –	$10,607	197,700
Funds measured at net asset value:				
Marketable equity and other securities				133,944
				$331,644

The System's Level 3 investments consist of funds administered by others. The fair value measurement is based on significant unobservable inputs.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations.

(In thousands)

14. Fair Value Measurements (Continued)

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2017 and 2016:

	Trust Funds Administered by Others
Balance at September 30, 2015	$10,489
Net realized and unrealized gains	118
Balance at September 30, 2016	10,607
Net realized and unrealized gains	395
Balance at September 30, 2017	$11,002

The table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category:

	Fair Value	Unfunded Commit-ments	Redemption Frequency	Redemption Notice Period
September 30, 2017:				
Funds-of-funds	$13,948	$ –	Semi-monthly	5 days
Funds-of-funds	10,634	–	Monthly	15 days
Funds-of-funds	58,988	–	Quarterly	45 – 65 days
Funds-of-funds	18,219	–	Annual	60 - 90 days*
Funds-of-funds	7,232	–	Three year rolling	60 days**
Funds-of-funds	362	3,411	Illiquid	N/A
Collective trust funds	5,906	–	Daily	10 days
Collective trust funds	57,763	–	Monthly	6 – 10 days
September 30, 2016:				
Funds-of-funds	$15,821	$ –	Monthly	15 days
Funds-of-funds	54,355	–	Quarterly	45 – 65 days
Funds-of-funds	9,125	–	Annual	90 days
Funds-of-funds	6,230	–	Three year rolling	60 days**
Collective trust funds	48,413	–	Monthly	6 – 10 days

* Certain funds are subject to a 2 year lock period before annual redemption can occur.

** Subject to a 3 year rolling lock. This fund also has a special redemption right that allows the Hospital to liquidate 10% of the investment on March 1 of each year, with 30 days' notice.

14. Fair Value Measurements (Continued)

Investment Strategies

Fixed Income Securities

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity and Other Securities

The primary purpose of marketable equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total marketable equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

The System invests in other securities that are considered alternative investments that consist of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. Collective trust funds are generally valued based on the proportionate share of total fund net assets.

System management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions and is estimated using the net asset value per share of the fund. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

The Hospital has committed to invest up to $5,746 between three investment managers, and had funded $335 of that commitment as of September 30, 2017. As these investments are made, the Hospital reallocates resources from its current investments resulting in an asset allocation shift within the investment pool.

Inflation-Protected Securities

The primary purpose of inflation-protected securities is to provide protection against the negative effects of inflation.

14. Fair Value Measurements (Continued)

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to $86,166 and $102,286, respectively, at September 30, 2017, and $94,877 and $112,762, respectively, at September 30, 2016.

CONCORD HOSPITAL
BOARD OF TRUSTEES
2018

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Robert Steigmeyer, **President/CEO** (ex-officio)
David Stevenson, MD
Jeffrey Towle

Treasurer (not Member of the Board):
Scott W. Sloane

1/18

Peter John Evers

[redacted]

Employment History:

October 2013-Present	Riverbend Community Mental Health, Inc. President/CEO Vice President for Behavioral Health at Concord Hospital Manage $32 million mental health agency with 400 employees serving children, families and adults with outpatient, inpatient and residential services. Manage 15 bed inpatient psychiatric unit and emergency psychiatric services at Concord Hospital. Board member for Capital Region Health Care. Program development with the New Hampshire Division of Behavioral Health to design new initiatives to better serve the community. Work with state and local government committees to advise legislators on the mental health needs of the community.	Concord, NH
April 2010-October 2013	The Home for Little Wanderers Vice President, Program Operations Responsible for the operations of all The Home's programs in Eastern Mass. 600 Employees 20 Programs and a budget of $32 Million. Achievements: Part of a team that has brought financial stability to the program side of the organization during very difficult times for non profits. Turned a small surplus last 2 Financial Years. Diversified programmatic continuum of services and revenues streams to ensure that the agency is not reliant on revenue from large single sources.	Boston MA
February 2007-April 2010	Department of Mental Health, Southeastern Area Area Director Responsibility and oversight of 1300 employees and a budget of $112M to provide services to the mentally ill in Southeastern Mass. Region. Oversight of 3 hospitals and 7 community based mental health centers providing an array of inpatient acute and outpatient services to people with mental illness. Management of all contracts with private sector providers in South Eastern Massachusetts	Brockton, MA

January 2004 - February 2007	Boston Emergency Services Team Clinical Director Responsible for clinical oversight of psychiatric crisis intervention services for the City of Boston. Supervision of 5 components of service delivery with a mission to place those with psychiatric illness in appropriate services and levels of care.	Boston, MA
February 2003 - March 2004	Dimock Community Health Center Vice President, Behavioral Health Responsible for administration of the Behavioral Health Cluster at Dimock which is the largest of all of the cluster providers in the Health Center, which employs 700 individuals in the Roxbury/Dorchester Area. The Behavioral Health Cluster has a budget of over $10 million and employs in the region of 200 people. Programs include Emergency Psychiatric Evaluation, MR Residential, Addictions and Recovery Residential and Outpatient Programs and Mental Health Outpatient Programs.	Roxbury, MA
December 1998 - February 2003	Boston Emergency Services Team Director of Acute Care Services Responsible for clinical and administrative operations for Dimock Community Health Center's Emergency Psychiatric Crisis Team, covering the areas of Dorchester, Roxbury and South Boston. Responsible for 24-hour coverage and response to requests for psychiatric evaluations in the community, residential group homes and hospital emergency rooms. Responsible for a budget in excess of $3 million. Duties also included the running of a 30 bed Detoxification Unit in Roxbury. Responsible for budgets, hiring and firing of staff, performance improvement and utilization review.	Boston, MA
January 1998 - December 1998	Department of Social Services Area Director As the Director of State Child Protection office covering 10 towns north of Boston with 100 employees, responsible for all cases of child protection and all budgetary matters. The office has a caseload of some 700 families and a foster care, home based and residential budget of over $2 million. Oversaw child protection, adoption, substitute care residential care, community based initiatives, negotiation of all contracts with collateral agencies, responsibility for all personnel matters within the office and responsibility for all report and proposal writing within the office, including the proposal for the Multi-Disciplinary Treatment team, recruitment and set up.	Malden, MA
December 1995 - January 1998	Department of Social Services Area Program Manager	Roxbury, MA
April 1995 - January1993	Boston Emergency Services Team Psychiatric Crisis Clinician; Overnight shifts.	Boston, MA

November 1993 - December 1995	Department of Social Services Assessment Supervisor.	Roxbury, MA
July 1992 - November 1993	Roxbury Multi-Service Center Program Director.	Dorchester, MA
September 1990 - July 1992	Department of Social Services Assessment Worker	Allston, MA
June 1988 - August 1990	London Borough of Newham Social Services Department Social Worker working with children in long term care.	London

Education History:

1986-1988: University Of Kent at Canterbury, England
M.S.W. Specializing in Psychology, Sociology, Social Policy and Psychotherapy.

1979-1983: Sheffield Hallam University, Sheffield, England.
B.A. [with Honors] Economics and Business Studies.
Specializing in Human Resource Management.

Additional Qualification.
C.Q.S.W. British Social Work License.
L.I.C.S.W. #1031376
LADC1 #1059

Committees/Boards
Board Member Massachusetts Association for Mental Health
Member: Statewide Committee to Reduce Emergency Room Volume 2007-2010
Member: Boston Public Health Commission; Project Launch for Children/My Child

References Available Upon Request.

Monica L. Percy Edgar
[redacted]
medgar@crhc.org
[redacted]

Education/Professional Certificates

1994 – 1998

Masters in Psychiatric Nursing - Rivier College, Nashua, NH.
Focus of practicum sites:
Hospital Consultation – Dartmouth Hitchcock Medical Center, Lebanon NH
Assessment and Individual/Group therapy with co-occurring–
Substance Use Services (SUS), Concord Hospital, Concord, NH.
Psychiatric Assessment/Psychopharmacotherapy – Concord Psychiatric Associates, Concord, NH.

1985 – 1987

B. S. in Nursing, Castleton State College, Castleton, VT.

1981 – 1984

A. D. in Nursing, Castleton State College, Castleton, VT

Certified Adult Psychiatric and Mental Health Clinical Specialist, American Nurse Credentialing Ctr

Drug Enforcement Administration (DEA) License with X waiver

Licensed Advanced Practice Registered Nurse, New Hampshire

Licensed Registered Nurse, New Hampshire

Master Licensed Alcohol and Drug Counselor

Professional Experience

2010 to Present

Director, Concord Hospital Substance Use Services; Provide both Administrative and Clinical responsibilities.

2017 to Present

Medication Assisted Therapy (MAT) Provider, Riverbend Community Mental Health Ctr. Choices, Provide assessment and MAT for substance use disorders.

1998 to 2017

Psychiatric Nurse Practitioner, Riverbend Counseling Associates, Concord, NH.
Psychiatric evaluation and psychopharmacotherapy.

1998 to 2010

Psychiatric Nurse Practitioner, Substance Use Services, Concord Hospital, Concord, NH.
Co-occurring diagnosis evaluations, psychopharmacotherapy, facilitator of individual and group therapy, provide insurance utilization review, implementation of evidence based practices, consultation for colleagues, and patient advocate.

1996 to 1998

Case Manager for Psychiatric Partial Hospitalization Program and Outpatient Electro-convulsive Therapy (ECT) program, Concord Hospital, Concord, NH.
Developed and implemented outpatient ECT program, and provided case management services.

1995-1998

Staff Nurse for Fresh Start, Concord Hospital, Concord, NH.
Substance use disorders assessments, case management, and facilitator of psycho-educational groups in the intensive outpatient program (IOP).

1991-1996

Staff Nurse, Acute Adult Psychiatric Unit, Concord Hospital, Concord, NH.
Psychiatric nursing assessment and treatment, planned and implemented therapeutic groups, Clinical II RN, Evening Senior Resource Person (RP), and coordinated unit staffing schedule.

1990 to 1991

Medical–Surgical Staff Nurse, Medical–Surgical Unit, Copley Hospital, Morrisville, VT.
Provided medical-surgical nursing care to all ages.

1989 to 1990

Charge Nurse, Long-term Geriatric Facility, McKerley Health Care Center, Laconia, NH.
Supervised and provided geriatric nursing care.

1985 to 1989

Charge Nurse, Chemical Dependency Rehabilitation, Seminole Point Hospital, Sunapee, NH.
Assessment and treatment of adult substance use disorder withdrawal management.

Honors and Professional Memberships

Member of NH Governor's Commission, Treatment and Recovery Task Force

2009 Addiction Health Services Research Award, Center Substance Abuse Treatment (CSAT)

2008 New England Addiction Leadership Institute, New Hampshire Representative

Member of American Society of Addiction Medicine

Member, New Hampshire Nurse Practitioner Association

Member, New Hampshire Alcohol and Drug Association

Member, Sigma Theta Tau, National Honor Society, Graduate Level

Seminars and in-service trainings throughout career

RESUME

ROBERT P. STEIGMEYER

[redacted]

Career History:

1/2014 – Present	Capital Region Health Care and Concord Hospital Concord, NH	President and CEO
2012 – 12/2013	Geisinger Community Medical Center Scranton, PA	CEO
2010 – 2012	Community Medical Center Healthcare System Scranton, PA	President and CEO
2005 – 2010	Northwest Hospital & Medical Center Seattle, WA	Senior Vice President- Operations & Finance
1993 – 2005	ECG Management Consultants Seattle, WA	Principal/Shareholder Senior Manager Manager
1989 – 1993	Ernst & Young St. Louis, MO	Manager Senior Consultant Consultant

Educational Background:

1989	Master of Health Administration Master of Business Administration St. Louis University
1985	Bachelor of Arts Wabash College

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Evers	VP Behavioral Health	$210 000	10%	$21 000
Monica Edgar	Director Substance Use Services	$120 000	10%	$12 000
Robert Steigmeyer	President & CEO		0%	

FORM NUMBER P-37 (version 5/8/15)

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-05)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Granite Pathways		1.4 Contractor Address 10 Ferry St, Ste. 308, Concord, NH, 03301	
1.5 Contractor Phone Number (603) 225-9540	1.6 Account Number 05-95-92-7040-500731 05-95-92-2559-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $5,008,703
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature [signature]		1.12 Name and Title of Contractor Signatory Robin J. Fisk, Senior VP Occupational Health, The Fedcap Group, Inc.	

1.13 Acknowledgement: State of NH, County of Merrimack

On Oct. 22, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal] [signature]

APRIL L. AREL, Notary Public
State of New Hampshire
My Commission Expires April 20, 2021

1.13.2 Name and Title of Notary or Justice of the Peace

April Arel

1.14 State Agency Signature [signature] Date: 10/22/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director
1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By:	Director, On:
1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: [signature]	On: 10/22/2018
1.18 Approval by the Governor and Executive Council *(if applicable)* By:	On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials
Date 10/22/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials
Date 10/22/18

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials
Date 10/22/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Manchester and Nashua Regions with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hubs in the Manchester and Nashua Regions operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685 and TI080246.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Bidder/Program Name: GRANITE PATHWAYS (Manchester)

Budget Request for: Access and Delivery HUB for Opioid Use Disorder Services

Budget Period: SFY 19 ("Upon Approval by G&C" - June 30, 2019)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	$ 489,071	$ 58,689	$ 547,760		$ -	$ -	$ 489,071	$ 58,689	$ 547,760
2. Employee Benefits	$ 166,284	$ 19,954	$ 186,238		$ -	$ -	$ 166,284	$ 19,954	$ 186,238
3. Consultants	$ 35,000	$ 4,200	$ 39,200		$ -	$ -	$ 35,000	$ 4,200	$ 39,200
4. Equipment:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Repair and Maintenance	$ 3,000	$ 360	$ 3,360		$ -	$ -	$ 3,000	$ 360	$ 3,360
Purchase/Depreciation	$ 32,000	$ 3,840	$ 35,840		$ -	$ -	$ 32,000	$ 3,840	$ 35,840
5. Supplies:	$ 24,400	$ 2,928	$ 27,328		$ -	$ -	$ 24,400	$ 2,928	$ 27,328
Educational	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Pharmacy(Naloxone)	$ 95,000	$ 11,400	$ 106,400		$ -	$ -	$ 95,000	$ 11,400	$ 106,400
Medical	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Office	$ 3,600	$ 432	$ 4,032		$ -	$ -	$ 3,600	$ 432	$ 4,032
6. Travel	$ 12,000	$ 1,440	$ 13,440		$ -	$ -	$ 12,000	$ 1,440	$ 13,440
7. Occupancy	$ 25,000	$ 3,000	$ 28,000		$ -	$ -	$ 25,000	$ 3,000	$ 28,000
8. Current Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Telephone	$ 6,960	$ 835	$ 7,795		$ -	$ -	$ 6,960	$ 835	$ 7,795
Postage	$ 240	$ 29	$ 269		$ -	$ -	$ 240	$ 29	$ 269
Subscriptions	$ 208	$ 25	$ 233		$ -	$ -	$ 208	$ 25	$ 233
Audit and Legal	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Insurance	$ 3,000	$ 360	$ 3,360		$ -	$ -	$ 3,000	$ 360	$ 3,360
Board Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
9. Software	$ 42,200	$ 5,064	$ 47,264		$ -	$ -	$ 42,200	$ 5,064	$ 47,264
10. Marketing/Communications	$ 34,300	$ 4,116	$ 38,416		$ -	$ -	$ 34,300	$ 4,116	$ 38,416
11. Staff Education and Training	$ 40,500	$ 4,860	$ 45,360		$ -	$ -	$ 40,500	$ 4,860	$ 45,360
12. Subcontracts/Agreements	$ 84,200	$ 10,104	$ 94,304		$ -	$ -	$ 84,200	$ 10,104	$ 94,304
13. Other (specific details mandatory):	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Flex Funding	$ 50,000	$ 6,000	$ 56,000		$ -	$ -	$ 50,000	$ 6,000	$ 56,000
Internet Services	$ 3,900	$ 468	$ 4,368		$ -	$ -	$ 3,900	$ 468	$ 4,368
Outreach	$ 25,950	$ 3,114	$ 29,064		$ -	$ -	$ 25,950	$ 3,114	$ 29,064
Video Conferencing	$ 12,000	$ 1,440	$ 13,440		$ -	$ -	$ 12,000	$ 1,440	$ 13,440
	$ -		$ -		$ -	$ -		$ -	$ -
	$ -	$ -	$ -		$ -	$ -		$ -	$ -
TOTAL	$ 1,188,813	$ 142,659	$ 1,331,471	$ -	$ -	$ -	$ 1,188,813	$ 142,659	$ 1,331,471
Indirect As A Percent of Direct		12.0%							

Contractor Initials

Date 10/22/18

Exhibit B-2

New Hampshire Department of Health and Human Services

Bidder/Program Name: GRANITE PATHWAYS (Manchester)

Budget Request for: Access and Delivery HUB for Opioid Use Disorder Services

Budget Period: SFY 20 (July 1, 2019 - June 30, 2020)

Line Item	Total Program Cost: Direct Incremental	Total Program Cost: Indirect Fixed	Total Program Cost: Total	Contractor Share / Match: Direct Incremental	Contractor Share / Match: Indirect Fixed	Contractor Share / Match: Total	Funded by DHHS contract share: Direct Incremental	Funded by DHHS contract share: Indirect Fixed	Funded by DHHS contract share: Total
1. Total Salary/Wages	$ 750,645	$ 90,077	$ 840,722	$ 147,509	$ 17,701	$ 165,210	$ 603,136	$ 72,376	$ 675,512
2. Employee Benefits	$ 255,219	$ 30,626	$ 285,845	$ 50,153	$ 6,018	$ 56,171	$ 205,066	$ 24,608	$ 229,674
3. Consultants	$ -	$ -	$ -		$ -	$ -		$ -	$ -
4. Equipment:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Repair and Maintenance	$ 6,000	$ 720	$ 6,720	$ 1,179	$ 141	$ 1,320	$ 4,821	$ 579	$ 5,400
Purchase/Depreciation	$ -	$ -	$ -		$ -	$ -		$ -	$ -
5. Supplies:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Educational	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Pharmacy(Naloxone)	$ 190,000	$ 22,800	$ 212,800	$ 37,337	$ 4,480	$ 41,817	$ 152,663	$ 18,320	$ 170,983
Medical	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Office	$ 2,400	$ 288	$ 2,688	$ 472	$ 57	$ 529	$ 1,928	$ 231	$ 2,159
6. Travel	$ 9,600	$ 1,152	$ 10,752	$ 1,888	$ 226	$ 2,112	$ 7,714	$ 926	$ 8,640
7. Occupancy	$ 50,000	$ 6,000	$ 56,000	$ 9,826	$ -1,179	$ 11,005	$ 40,174	$ 4,821	$ 44,995
8. Current Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Telephone	$ 13,920	$ 1,670	$ 15,590	$ 2,736	$ 328	$ 3,064	$ 11,184	$ 1,342	$ 12,526
Postage	$ 480	$ 58	$ 538	$ 94	$ 11	$ 105	$ 386	$ 46	$ 432
Subscriptions	$ 420	$ 50	$ 470	$ 83	$ 10	$ 93	$ 337	$ 40	$ 377
Audit and Legal	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Insurance	$ 6,000	$ 720	$ 6,720	$ 1,179	$ 141	$ 1,320	$ 4,821	$ 579	$ 5,400
Board Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
9. Software	$ -	$ -	$ -		$ -	$ -		$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -		$ -	$ -		$ -	$ -
11. Staff Education and Training	$ 2,500	$ 300	$ 2,800	$ 492	$ 59	$ 551	$ 2,008	$ 241	$ 2,249
12. Subcontracts/Agreements	$ -	$ -	$ -		$ -	$ -		$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Flex Funding	$ 50,005	$ 6,001	$ 56,005	$ 9,825	$ 1,179	$ 11,004	$ 40,180	$ 4,822	$ 45,001
Internet Services	$ 7,800	$ 936	$ 8,736	$ 1,533	$ 184	$ 1,717	$ 6,267	$ 752	$ 7,019
Video Conferencing	$ 7,200	$ 864	$ 8,064	$ 1,415	$ 170	$ 1,585	$ 5,785	$ 694	$ 6,479
TOTAL	$ 1,352,189	$ 162,263	$ 1,514,451	$ 265,719	$ 31,886	$ 297,605	$ 1,086,470	$ 130,376	$ 1,216,846
Indirect As A Percent of Direct		12.0%							

Contractor Initials YD

Date 10/22/18

New Hampshire Department of Health and Human Services

Bidder/Program Name: GRANITE PATHWAYS (Nashua)

Budget Request for: Access and Delivery HUB for Opioid Use Disorder Services

Budget Period: SFY 19 ("Upon Approval by G&C" - June 30, 2019)

Line Item	Total Program Cost: Direct Incremental	Total Program Cost: Indirect Fixed	Total Program Cost: Total	Contractor Share / Match: Direct Incremental	Contractor Share / Match: Indirect Fixed	Contractor Share / Match: Total	Funded by DHHS contract share: Direct Incremental	Funded by DHHS contract share: Indirect Fixed	Funded by DHHS contract share: Total
1. Total Salary/Wages	$ 489,071	$ 58,689	$ 547,760		$ -	$ -	$ 489,071	$ 58,689	$ 547,760
2. Employee Benefits	$ 166,284	$ 19,954	$ 186,238		$ -	$ -	$ 166,284	$ 19,954	$ 186,238
3. Consultants	$ 30,000	$ 3,600	$ 33,600		$ -	$ -	$ 30,000	$ 3,600	$ 33,600
4. Equipment:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Repair and Maintenance	$ 3,000	$ 360	$ 3,360		$ -	$ -	$ 3,000	$ 360	$ 3,360
Purchase/Depreciation	$ 77,400	$ 9,288	$ 86,688		$ -	$ -	$ 77,400	$ 9,288	$ 86,688
5. Supplies:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Educational	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Pharmacy(Naloxone)	$ 85,000	$ 10,200	$ 95,200		$ -	$ -	$ 85,000	$ 10,200	$ 95,200
Medical	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Office	$ 4,200	$ 504	$ 4,704		$ -	$ -	$ 4,200	$ 504	$ 4,704
6. Travel	$ 10,800	$ 1,296	$ 12,096		$ -	$ -	$ 10,800	$ 1,296	$ 12,096
7. Occupancy	$ 34,373	$ 4,125	$ 38,498		$ -	$ -	$ 34,373	$ 4,125	$ 38,498
8. Current Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Telephone	$ 6,960	$ 835	$ 7,795		$ -	$ -	$ 6,960	$ 835	$ 7,795
Postage	$ 240	$ 29	$ 269		$ -	$ -	$ 240	$ 29	$ 269
Subscriptions	$ 210	$ 25	$ 235		$ -	$ -	$ 210	$ 25	$ 235
Audit and Legal	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Insurance	$ 3,000	$ 360	$ 3,360		$ -	$ -	$ 3,000	$ 360	$ 3,360
Board Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
9. Software	$ 42,925	$ 5,151	$ 48,076		$ -	$ -	$ 42,925	$ 5,151	$ 48,076
10. Marketing/Communications	$ 18,602	$ 2,232	$ 20,834		$ -	$ -	$ 18,602	$ 2,232	$ 20,834
11. Staff Education and Training	$ 45,000	$ 5,400	$ 50,400		$ -	$ -	$ 45,000	$ 5,400	$ 50,400
12. Subcontracts/Agreements	$ 46,920	$ 5,630	$ 52,550		$ -	$ -	$ 46,920	$ 5,630	$ 52,550
13. Other (specific details mandatory):	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Buildout	$ 54,000	$ 6,480	$ 60,480		$ -	$ -	$ 54,000	$ 6,480	$ 60,480
Flex Funding	$ 50,000	$ 6,000	$ 56,000		$ -	$ -	$ 50,000	$ 6,000	$ 56,000
Internet Services	$ 3,900	$ 468	$ 4,368		$ -	$ -	$ 3,900	$ 468	$ 4,368
Outreach	$ 20,555	$ 2,467	$ 23,022		$ -	$ -	$ 20,555	$ 2,467	$ 23,022
Video Conferencing	$ 12,000	$ 1,440	$ 13,440		$ -	$ -	$ 12,000	$ 1,440	$ 13,440
	$ -		$ -		$ -	$ -		$ -	$ -
	$ -	$ -	$ -		$ -	$ -		$ -	$ -
TOTAL	$ 1,204,440	$ 144,533	$ 1,348,973	$ -	$ -	$ -	$ 1,204,440	$ 144,533	$ 1,348,973
Indirect As A Percent of Direct		12.0%							

Contractor Initials

Date 10/22/18

New Hampshire Department of Health and Human Services

Bidder/Program Name: GRANITE PATHWAYS (Nashua)

Budget Request for: Access and Delivery HUB for Opioid Use Disorder Services

Budget Period: SFY 20 (July 1, 2019 - June 30, 2020)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total	Direct Incremental	Indirect Fixed	Total
1. Total Salary/Wages	$ 681,490	$ 81,778	$ 763,268	$ 144,034	$ 17,284	$ 161,318	$ 537,456	$ 64,495	$ 601,951
2. Employee Benefits	$ 231,707	$ 27,805	$ 259,512	$ 48,972	$ 5,877	$ 54,849	$ 182,735	$ 21,928	$ 204,663
3. Consultants	$ -	$ -	$ -		$ -	$ -		$ -	$ -
4. Equipment:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Repair and Maintenance	$ 6,000	$ 720	$ 6,719	$ 1,268	$ 152	$ 1,420	$ 4,732	$ 568	$ 5,300
Purchase/Depreciation	$ -	$ -	$ -		$ -	$ -		$ -	$ -
5. Supplies:	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Educational	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Pharmacy(Naloxone)	$ 170,000	$ 20,400	$ 190,400	$ 35,930	$ 4,312	$ 40,242	$ 134,070	$ 16,088	$ 150,158
Medical	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Office	$ 2,400	$ 288	$ 2,688	$ 507	$ 61	$ 568	$ 1,893	$ 227	$ 2,120
6. Travel	$ 9,600	$ 1,152	$ 10,752	$ 2,029	$ 243	$ 2,272	$ 7,571	$ 909	$ 8,480
7. Occupancy	$ 68,750	$ 8,250	$ 77,000	$ 14,530	$ 1,744	$ 16,274	$ 54,220	$ 6,506	$ 60,726
8. Current Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Telephone	$ 13,920	$ 1,670	$ 15,590	$ 2,942	$ 353	$ 3,295	$ 10,978	$ 1,317	$ 12,295
Postage	$ 480	$ 58	$ 538	$ 102	$ 12	$ 114	$ 378	$ 45	$ 423
Subscriptions	$ 420	$ 50	$ 470	$ 89	$ 11	$ 100	$ 331	$ 40	$ 371
Audit and Legal	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Insurance	$ 6,000	$ 720	$ 6,720	$ 1,268	$ 152	$ 1,420	$ 4,732	$ 568	$ 5,300
Board Expenses	$ -	$ -	$ -		$ -	$ -		$ -	$ -
9. Software	$ -	$ -	$ -		$ -	$ -		$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -		$ -	$ -		$ -	$ -
11. Staff Education and Training	$ 2,500	$ 300	$ 2,800	$ 528	$ 63	$ 591	$ 1,972	$ 237	$ 2,209
12. Subcontracts/Agreements	$ -	$ -	$ -		$ -	$ -		$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -		$ -	$ -		$ -	$ -
Flex Funding	$ 50,004	$ 6,000	$ 56,004	$ 10,568	$ 1,268	$ 11,836	$ 39,436	$ 4,732	$ 44,168
Internet Services	$ 7,800	$ 936	$ 8,736	$ 1,649	$ 198	$ 1,847	$ 6,151	$ 738	$ 6,889
Video Conferencing	$ 7,200	$ 864	$ 8,064	$ 1,522	$ 183	$ 1,705	$ 5,678	$ 681	$ 6,359
TOTAL	$ 1,258,271	$ 150,992	$ 1,409,263	$ 265,938	$ 31,913	$ 297,850	$ 992,333	$ 119,080	$ 1,111,413
Indirect As A Percent of Direct		12.0%							

Contractor Initials

Date 10/22/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 The Contractor may terminate the Agreement at any time for any reason, 120 days after giving the State written notice that the Contractor is exercising its option to terminate the Agreement. Contractor acknowledges and agrees that all clients will be transitioned to a new Contractor in the event of an early termination. The Contractor shall complete and provide the State with a Transition Plan in accordance with Sections 10.3 through 10.6 below.

10.3 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.4 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.5 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State,

the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.6 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/22/2018
Date

Name:
Title:

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/22/2018
Date

Name:
Title: SVP Fedcap Group

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/22/2018
Date

Name:
Title: SVP Ops Health Fed cap Grp 17

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/22/2018
Date

Name:
Title: SVP Fedcap Group

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/22/2018
Date

Name:
Title: SVP Fedcap Group

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/22/18
Date

Name:
Title: SVP Fedcap Group

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 019392707

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

   Name: _____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 613581

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of May A.D. 2017.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, ___William Rider_____, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of ____Granite Pathways_____.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of

the Agency duly held on __2/26/16
(Date)

RESOLVED: That the SR. VP for Occupational Health_____
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the first day of November, 2018.
(Date Contract Signed)

4. _Robin Fisk_____ is the duly elected _SR. VP. For Occupational Health_____
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

_____
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of __Hillsborough_____

The forgoing instrument was acknowledged before me this 9th day of October, 2018.

By _____.
(Name of Elected Officer of the Agency)

_____
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 9/7/2021

DONNA KEEFE
Notary Public - New Hampshire
My Commission Expires September 7, 2021

Client#: 1497832 FEDCAREH1

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/02/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services LLC 333 Westchester Ave, Suite 102 White Plains, NY 10604 914 459-6200	CONTACT NAME: Khalil Elaouni PHONE (A/C, No, Ext): 914 459-6200 FAX (A/C, No): 610 537-4220 E-MAIL ADDRESS: khalil.elaouni@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Berkshire Hathaway Specialty Ins Co.	22276
INSURER B : National Liability & Fire Insurance Co.	20052
INSURER C : Technology Insurance Company, Inc.	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Granite Pathways, Inc.
10 Ferry Street Suite # 319
Concord, NH 03301

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			47SPK25564203	09/30/2018	09/30/2019	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$20,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$3,000,000
							PRODUCTS - COMP/OP AGG	$3,000,000
								$
A	AUTOMOBILE LIABILITY			47SMA14808004	09/30/2018	09/30/2019	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
A	[X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			47RWS14808204	09/30/2018	09/30/2019	BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	[X] UMBRELLA LIAB [X] OCCUR			47SUM14808304	09/30/2018	09/30/2019	EACH OCCURRENCE	$25,000,000
B	[X] EXCESS LIAB [ ] CLAIMS-MADE			43SEF10045604	09/30/2018	09/30/2019	AGGREGATE	$25,000,000
	[ ] DED [X] RETENTION $10,000							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [N] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		TWC3680678	12/08/2017	12/08/2018	[X] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$1,00,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
A	Professional Liab			47SPK2556420	09/30/2018	09/30/2019	$3M Agg / $1M Occ	
A	Abuse & Molestat			47SPK2556420	09/30/2018	09/30/2019	$15,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Proof of insurance:

Umbrella is scheduled with no limitations over the following coverages: GL-PL-Auto & Employer liability.
Abuse & Molestation limit $15,000,000

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and
Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Ulle Scott

KZECM

Powered by FEDCAP

MISSION STATEMENT

Granite Pathways, a subsidiary of Fedcap Rehabilitative Services, Inc., develops innovative, creative and sustainable solutions that help people surmount barriers, work toward economic independence and effect change in their families and communities. Our mission is to support individuals with mental illness and substance use disorder in building personal equity and achieve their life goals as valued members of their community. We focus on individuals, families, friends, communities and others impacted by substance use disorder and mental illness

Consolidated Financial Statements Together with
Report of Independent Certified Public Accountants

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

September 30, 2016 and 2015

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
FEDCAP Rehabilitation Services, Inc.:

We have audited the accompanying consolidated financial statements of FEDCAP Rehabilitation Services, Inc. and Subsidiaries (collectively, "FEDCAP"), which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FEDCAP's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FEDCAP's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FEDCAP Rehabilitation Services, Inc. and Subsidiaries as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
March 6, 2017

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of September 30, 2016 and 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	$ 10,969,236	$ 12,211,556
Accounts receivable (net of allowance for doubtful accounts of approximately ($2,080,000 in 2016 and $2,619,000 in 2015)	33,441,617	29,746,474
Contributions receivable (net of allowance for uncollectible contributions of approximately $115,000 in 2016 and 2015)	1,041,133	2,333,225
Inventories, net	414,939	673,818
Prepaid expenses and other assets	2,826,486	2,322,433
Total current assets	48,693,411	47,287,506
LONG-TERM ASSETS		
Investments	17,345,073	16,926,806
Fixed assets, net	75,855,170	76,998,952
Art objects	21,750	21,750
Beneficial interest in remainder trusts	575,912	693,049
Other assets	575,020	540,033
	94,372,925	95,180,590
Total assets	$ 143,066,336	$ 142,468,096
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 26,530,000	$ 27,978,124
Deferred revenues	1,156,919	1,082,588
Advance from government agency	-	1,800,000
Current portion of long-term debt	754,995	837,289
Total current liabilities	28,441,914	31,698,001
LONG-TERM LIABILITIES		
Obligations under capital leases	36,672,420	36,802,491
Long-term debt, net of current portion	23,943,320	24,599,343
Revolving loans	16,486,698	12,466,630
Other liabilities	2,191,849	1,970,348
Total liabilities	107,736,201	107,536,813
Commitments and contingencies		
NET ASSETS		
Unrestricted	33,176,435	32,171,763
Temporarily restricted	1,569,272	2,175,092
Permanently restricted	584,428	584,428
Total net assets	35,330,135	34,931,283
Total liabilities and net assets	$ 143,066,336	$ 142,468,096

The accompanying notes are an integral part of these consolidated financial statements.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Activities

For the years ended September 30, 2016 and 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contract services and products	$ 102,312,128	$ -	$ -	$ 102,312,128	$ 102,251,831	$ -	$ -	$ 102,251,831
Rehabilitation and vocational programs	120,436,118	-	-	120,436,118	67,251,287	-	-	67,251,287
Contributions and Grants	3,416,316	140,000	-	3,556,316	1,610,917	1,755,688	-	3,366,605
In-kind contributions	292,380	-	-	292,380	(277,740)	235,360	501,660	463,280
Interest income	124,717	-	-	124,717	34,523	-	-	34,523
Miscellaneous revenue	1,797,383	-	-	1,797,383	519,312	-	-	519,312
Net assets released from restrictions	245,820	(245,820)	-	-	372,503	(372,503)	-	-
Total revenues	229,034,862	(605,820)	-	228,429,042	171,966,633	1,618,545	501,660	174,086,838
EXPENSES								
Program services:								
Contract services and products	90,986,554	-	-	90,986,554	88,034,038	-	-	88,034,038
Rehabilitation and vocational programs	105,862,539	-	-	105,862,539	63,470,318	-	-	63,470,318
	196,849,093	-	-	196,849,093	151,504,356	-	-	151,504,356
Supporting services:								
Management and general	29,504,519	-	-	29,504,519	21,428,446	-	-	21,428,446
Development	1,676,578	-	-	1,676,578	774,795	-	-	774,795
	31,181,097	-	-	31,181,097	22,203,241	-	-	22,203,241
Total expenses	228,030,190	-	-	228,030,190	173,707,597	-	-	173,707,597
Change in net assets	1,004,672	(605,820)	-	398,852	(1,740,964)	1,618,545	501,660	379,241
Net assets at beginning of year	32,171,763	2,175,092	584,428	34,931,283	33,912,727	556,547	82,768	34,552,042
Net assets at end of year	$ 33,176,435	$ 1,569,272	$ 584,428	$ 35,330,135	$ 32,171,763	$ 2,175,092	$ 584,428	$ 34,931,283

The accompanying notes are an integral part of these consolidated financial statements.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 398,852	$ 179,241
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,918,260	3,318,960
Bad debt provision (recovery)	1,046,376	(206,665)
Accrued interest on capital lease obligations	-	176,345
Inherent contribution	(202,380)	(463,280)
Unrealized gain on investments	(129,415)	-
Changes in assets and liabilities:		
Accounts receivable	(4,741,245)	(8,316,615)
Contribution receivable	1,292,092	(1,286,010)
Inventories	258,879	(623,472)
Prepaid expenses and other assets	(527,750)	(1,106,043)
Beneficial interest in remainder trust	152,897	(3,377)
Accounts payable and accrued liabilities	(1,455,478)	12,638,424
Deferred revenue	74,331	106,364
Other liabilities	221,501	669,034
Net cash provided by operating activities	306,920	5,082,906
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	6,000,000	-
Purchase of investments	(6,283,333)	(34,009)
Cash received in acquisition	10,202	812,974
Capital expenditures	(2,627,789)	(5,004,549)
Net cash used in investing activities	(2,900,920)	(4,225,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in advance from government agency	(1,800,000)	(829,782)
Change in revolving loans	4,020,068	5,111,844
Repayment of long-term debt	(738,317)	(382,453)
Repayment of capital lease obligations	(130,071)	(5,976)
Net cash provided by financing activities	1,351,680	3,893,633
(Decrease) increase in cash and cash equivalents	(1,242,320)	4,750,955
CASH AND CASH EQUIVALENTS		
Beginning of year	12,211,556	7,460,601
End of year	$ 10,969,236	$ 12,211,556
Supplemental disclosure of cash flow information:		
Cash interest paid during the year	$ 1,079,151	$ 1,078,854
Fixed assets acquired with capital leases	$ -	$ 66,092

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF ACTIVITIES

Fedcap Rehabilitation Services, Inc. ("FRS") is a private, nonprofit organization incorporated under the laws of New York State. FRS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

FRS was founded to provide a comprehensive range of vocational and related services to individuals with disabilities and other work-related disadvantages who face significant barriers to employment. FRS's goal is to help each person achieve independence, integration into the community and full participation in the economic mainstream.

FRS provides contract services and products within custodial, homecare, office services, and industrial divisions of FRS. The primary customers in these divisions are Federal, and New York State and City agencies and certified home health agencies, that contract with FRS for services.

As part of FRS's rehabilitation and vocation programs, FRS provides vocational evaluations, training, and employment services and other government-funded employment and job search programs. Evaluations combine aptitude tests, computerized assessments, and vocational counseling. After evaluation, FRS offers training in mail clerk/messenger services, building/custodial services, culinary arts/food services, data entry, office skills, document imaging, hospitality operations, and security operations. FRS then seeks to employ individuals who have successfully completed FRS's rehabilitation and vocational programs. FRS also offers the Chelton Loft, a voluntary clubhouse program for people with a history of serious mental illness. FRS also has a vocational education program and a licensed mental health program.

On July 1, 2011, FRS acquired and became the sole member of Wildcat Services Corporation ("Wildcat"), a nonprofit entity located in New York City that provides employment training, jobs placement and "supportive employment" opportunities for individuals with barriers to employment.

On October 1, 2012, FRS acquired and became the sole member of ReServe Elder Service, Inc. ("ReServe"), a nonprofit entity located in New York City that matches continuing professionals age 55+ with organizations that need their expertise. ReServe provides direct services, administrative support, and capacity-building expertise in schools, social service agencies, cultural institutions, and public agencies.

On October 1, 2013, FRS acquired and became the sole member of Community Workshops, Inc. (d/b/a Community Work Services) ("CWS"), a nonprofit corporation located in Boston, Massachusetts, whose mission is to help people who have barriers to work obtain employment and achieve greater self-sufficiency through job training, placement, and support services.

On September 1, 2015, FRS acquired and became the sole member of Easter Seals New York, Inc. ("ESNY"), a nonprofit entity whose purpose is to provide program and services for people with disabilities, assistance to people with disabilities and their families, assistance to communities in developing necessary and appropriate resources for residents, and a climate of acceptance for people with disabilities which will enable them to contribute to the well-being of the community.

On May 1, 2016, ESNY received a contribution in the form of a Red Mango franchise, incorporated as 1184 Deer Park Ave., Inc. ("1184"). 1184 is currently managed as a for profit corporation, and operates as a social enterprise which includes a training center and employment opportunities for veterans.

On May 1, 2016, FRS acquired and became the sole member of Granite Pathways, Inc. ("GP"), a nonprofit entity whose mission is to provide services to empower and support adults with mental illness to pursue their personal goals through education, employment, stable housing, and meaningful relationships.

On September 1, 2016, FRS acquired and became the sole member of Easter Seals Rhode Island, Inc. ("ESRI"), a nonprofit entity whose purpose is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

Collectively, FRS, Wildcat, ReServe, CWS, ESNY, 1184, GP and ESRI are referred to as "FEDCAP."

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of FEDCAP have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") using the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Accordingly, FEDCAP's consolidated financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets as follows:

Unrestricted Net Assets - consist of all funds which are expendable, at the discretion of FEDCAP's management and Board of Directors, for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

Temporarily Restricted Net Assets - net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of FEDCAP pursuant to those stipulations.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that require resources to be maintained as funds of a permanent duration.

Cash Equivalents

FEDCAP considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase, including investments in short-term certificates of deposit and certain money market funds, to be cash equivalents.

Contribution and Grant Revenue

FEDCAP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and contributions with donor stipulations that limit the use of donated assets are classified as either permanently restricted if FEDCAP is required to maintain the contribution permanently or temporarily restricted if the stipulation limits the use of the contribution to specific purposes or a time period. Donor restrictions that are received and met in the same fiscal year are recorded as unrestricted contributions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, temporarily restricted net assets

are reclassified to unrestricted net assets as "net assets released from restrictions" in the accompanying consolidated statements of activities.

Revenue from grants and contracts is recognized when earned, that is, generally as related costs are incurred or the milestone is achieved under the grant or contract.

Revenue Recognition and Deferred Revenue

FEDCAP's revenue primarily relates to contract services and products, and rehabilitation and vocational programs. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates. For performance-based contracts, revenues are recognized in the period when expenditures have been incurred or services have been performed in compliance with the respective contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

Deferred revenue represents cash received in advance of services and will be recognized as the services are performed. Deferred revenue amounted to $1,156,919 and $1,082,588 as of September 30, 2016 and 2015, respectively.

Allowance for Doubtful Accounts

The carrying value of contributions and accounts receivable are reduced by an appropriate allowance for uncollectible accounts, and therefore approximates net realizable value. FEDCAP determines its allowance by considering a number of factors, including the length of time receivables are past due, FEDCAP's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. FEDCAP writes off accounts receivables when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received.

Inventories

Inventories, mainly consisting of distress marker light products and related components, are valued at the lower of cost or market. Cost is determined principally by the first-in, first-out method.

Fixed Assets

Fixed assets purchased for a value greater than $1,000 and with depreciable lives greater than one year are carried at cost, net of accumulated depreciation. Depreciation is provided over the estimated useful life of the respective asset and ranges from 3 to 40 years. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repair costs are expensed as incurred. Leasehold improvements are amortized based on the lesser of the estimated useful life or remaining lease term.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Commissions

FEDCAP pays commissions to an unrelated not-for-profit entity and a New York State entity to provide information on government contracts that need competitive bids for services. The contracts provide

for commissions to be paid to these organizations in the range of 0.85% to 4% of the contract amount. Commissions paid relating to these contracts amounted to $1,728,663 and $1,797,201 for the years ended September 30, 2016 and 2015, respectively, and is included within contract services and products expense in the accompanying consolidated statements of activities.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates and assumptions relate to estimates of collectability of accounts receivable, accruals, useful life of property, plant, and equipment, and impairment of long-lived assets. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other liabilities approximates their carrying value due to their short-term maturities. The fair value of long-term debt approximates carrying value based on current interest rates for similar instruments.

Fair Value Measurements

FEDCAP follows guidance for fair value measurements that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. It maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the entity. FEDCAP considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to FEDCAP's perceived risk of that instrument.

Beneficial Interest in Remainder Trusts

Donors have established and funded trusts held by third parties under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts' term. Upon termination of the trusts, FEDCAP will receive the assets remaining in the trusts. Trusts are recorded as increases to net assets at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trusts. At September 30, 2016 and 2015, FEDCAP's interest in these trusts is reflected at fair value in the accompanying consolidated statements of financial position and is classified as Level 3 within the fair value hierarchy.

Impairment of Long-lived Assets

FEDCAP reviews the carrying values of its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets is assessed by a comparison of the carrying amount of the asset to the estimated future net cash flows expected to be generated by the asset. If estimated future net cash flows are less than the carrying amount of the asset, the asset is considered impaired and an expense is recorded in an amount to reduce the carrying amount of the asset to its fair value.

Tax-Exempt Status

FRS, Wildcat, ReServe, CWS, ESNY, 1184, GP, and ESRI and follow guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

FRS, Wildcat, ReServe, CWS, ESNY, GP and ESRI are exempt from federal income tax under IRC section 501(c)(3), though they are subject to tax on income unrelated to their respective exempt purpose, unless that income is otherwise excluded by the Code. These organizations have processes presently in

place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine their filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. FRS, Wildcat ReServe, CWS, ESNY, GP and ESRI have determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

1184, a for-profit corporation, commenced business operations in May of 2016; the organization has not calculated a tax provision as the projected tax liability is immaterial from a financial statement perspective. In addition, 1184 has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

Reclassifications

Certain reclassifications were made to the 2015 consolidated financial statements to conform to the 2016 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as previously reflected in the 2015 consolidated financial statements.

3. CONTRIBUTIONS RECEIVABLE

At September 30, 2016 and 2015, contributions receivable, net of the allowance for doubtful accounts, consisted of the following:

	2016	2015
Amounts due within one year	$ 656,133	$ 1,418,225
Amounts due in one to five years	500,000	1,030,000
	1,156,133	2,448,225
Less: allowance for uncollectible receivables	(115,000)	(115,000)
	$ 1,041,133	$ 2,333,225

Approximately 89% and 65% of the contributions receivable (gross) are due from one donor at September 30, 2016 and 2015, respectively.

4. INVESTMENTS

Investments, at fair value, consisted of the following at September 30:

	2016	2015
Money market funds	$ 10,492,741	$ 16,219,963
Mutual funds	6,852,332	706,843
	$ 17,345,073	$ 16,926,806

FEDCAP's mutual fund investments are classified as Level 1 within the fair value hierarchy. FEDCAP's money market fund investments do not meet the definition of a security under US GAAP, and as such, the disclosure requirements for fair value measurements are not applicable.

5. INVENTORIES

Inventories consisted of the following at September 30:

	2016	2015
Inventories:		
Raw materials	$ 382,137	$ 647,633
Work-in-process and finished goods	122,802	116,185
Reserve	(90,000)	(90,000)
	$ 414,939	$ 673,818

6. FIXED ASSETS, NET

Fixed assets, net, consisted of the following at September 30:

	2016	2015
Fixed assets:		
Land	$ 1,017,809	$ 1,229,105
Building improvements	498,951	787,308
Buildings	33,280,420	32,612,541
Capital lease - building	35,918,547	35,918,547
Furniture, fixtures and computer systems	9,023,535	7,206,700
Leasehold improvements	6,357,782	5,804,171
	86,097,044	83,558,372
Less: accumulated depreciation	(10,241,874)	(6,559,420)
	$ 75,855,170	$ 76,998,952

Depreciation and amortization expense for the years ended September 30, 2016 and 2015 was $3,918,260 and $3,318,960, respectively.

7. CAPITAL LEASES

In May of 2014, FRS entered into a condominium leasehold agreement in a building located at 205 East 42nd Street in New York City for 64,303 square feet of space consisting of the entire second and third floor and a portion of the ground floor. FRS began occupying the space in December 2014 and the agreement expires in fiscal 2043. The interest rate is fixed at 4.20%.

FRS accounted for this agreement as a capital lease, and as such, the related cost of $35,918,547, representing the present value of the total future minimum lease payments due at the inception of the agreement, is included within "Fixed assets, net" in the accompanying consolidated statements of financial position at September 30, 2016 and 2015. FRS occupied the condominium in December 2014 and recorded depreciation expense of $1,238,571 and $1,032,142 for fiscal 2016 and 2015, respectively. The outstanding principal balance on the lease as of September 30, 2016 and 2015, is $36,564,980 and $36,664,281, respectively.

During fiscal 2015, FRS obtained financing pursuant to a capital lease to finance vehicles in the amount of $22,074, principal and interest are paid monthly. As of September 30, 2016 and 2015, accumulated depreciation associated with this lease agreement is $6,662 and $2,207, respectively. The outstanding principal balance on the lease as of September 30, 2016 and 2015, is $15,452 and $19,866, respectively. The maturity date is March 31, 2020 and the interest rate is fixed at 6.73%.

During fiscal 2015, CWS obtained financing pursuant to a capital lease to finance vehicles in the amount of $44,018, principal and interest are paid monthly. As of September 30, 2016 and 2015, accumulated depreciation associated with this lease agreement is $12,893 and $2,749, respectively. The outstanding principal balance on the lease as of September 30, 2016 and 2015, is $31,125 and $40,019, respectively. The maturity date is March 31, 2020 and the interest rate is fixed at 6.73%.

During fiscal 2015, ESNY obtained financing pursuant to a capital lease to finance vehicles in the amount of $80,785, principal and interest are paid monthly. As of September 30, 2016 and 2015, the accumulated depreciation balance was $19,922 and $2,749, respectively. The outstanding principal balance on the lease as of September 30, 2016 and 2015, was $60,863 and $78,325, respectively. The maturity date is June 30, 2020 and the interest rate is fixed at 6.97%.

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2016:

Year Ending September 30,	
2017	$ 1,663,775
2018	1,663,775
2019	1,663,775
2020	1,892,045
2021	1,937,699
Thereafter	56,479,274
Total minimum lease payments	65,300,343
Less: Amount representing interest	(28,627,923)
Present value of net minimum lease payments	$ 36,672,420

8. REVOLVING LOANS

Israel Discount Bank of New York

FRS entered into a revolving loan agreement with Israel Discount Bank of New York ("IDB") to finance working capital needs with an aggregate principal amount not to exceed $15,000,000. The line was collateralized by FRS's accounts receivable and matured on December 10, 2014. On December 10, 2014, FRS renewed the revolving loan agreement. On April 21, 2016, the revolving loan agreement was amended to mature on April 21, 2018. The interest rate for the revolving loan agreement is the Prime Rate. As of September 30, 2016 and 2015, FEDCAP had borrowings on this line of credit of $13,453,272 and $9,953,273, respectively, at an interest rate of 3.50% and 3.25%, respectively.

RBS Citizens Bank, N.A.

On September 1, 2015, ESNY replaced its line of credit with RBS Citizens Bank, N.A with a $3,500,000 revolving line of credit with FRS as the co-borrower after the transfer of sole membership to FRS (refer to Note 16). The line of credit's original maturity date of February 28, 2016 was extended on December 15, 2016 to mature on December 15, 2018 and the line was decreased to $3,000,000. As part of the line of credit agreement between ESNY and RBS, FEDCAP must maintain a minimum balance with RBS of $500,000, which is included within cash and cash equivalents in the accompanying consolidated statements of financial position at September 30, 2016 and 2015. As of September 30, 2016 and 2015, ESNY had borrowings on this line of credit of $3,033,426 and $2,513,357 at an interest rate of 2.77% and 2.45%, respectively.

9. LONG-TERM DEBT

Notes Payable

In conjunction with leasing space for a program operated in the Bronx, New York, FRS borrowed $220,000 during fiscal 2012 from the landlord, LMKW L.P., for the costs to build out the space. This loan is being repaid over a period of six years at an interest rate of 5%. As of September 30, 2016 and 2015, the principal balance outstanding was $55,544 and $67,070, respectively.

On January 1, 2013, CWS borrowed $219,181 from the Georgianna Goddard Eaton Memorial Fund ("Eaton Fund"), a related party, to fund leasehold improvements. Under the terms of the note, payments, including interest at a rate of 3%, are due on a monthly basis commencing on April 1, 2013 and ending on January 1, 2017. At September 30, 2016 and 2015, the principal balance outstanding was $28,989 and $85,419, respectively.

On September 15, 2014, ESNY entered into a $63,045 note payable to finance the purchase of computers. The interest rate charged on the outstanding borrowings is fixed at a rate equal to 3.15%. Monthly principal and interest payments of $1,841 commenced November 2014 and in October 2017 all remaining outstanding principal and interest are due. The note is secured by the computers. At September 30, 2016 and 2015, the principal balance outstanding was $21,475 and $44,219, respectively.

On December 5, 2014, ESNY entered into a $1,980,000 mortgage note payable to finance the acquisition of certain property located in Valhalla, New York. The note was secured by the property and, after the transfer of sole membership from Easter Seals New Hampshire, is guaranteed by FRS. The interest rate is 3.66% for the first 60 months then, as of the first day of the sixty-first month, the interest rate will reset to 1.75% in excess of the then bank's five-year Cost of Funds. In no event shall the reset rate be less than 3.66%. Principal and interest of $9,153 is payable monthly through the maturity date of January 1, 2025. At September 30, 2016 and 2015, the outstanding principal balance was $1,914,257 and $1,955,422, respectively.

Bonds Payable

In December 2013, FRS entered into a Loan Agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the purchase of the sixth floor of a building located at 633 Third Avenue in New York City and related expenses. Build NYC issued $18,450,000 of tax-exempt revenue bonds ("Series 2013A"). Monthly payments of interest commenced in June 2014. The Series 2013A bonds have a coupon rate of 4.2% with a maturity date of December 1, 2033.

The Series A bonds were placed with IDB and, as part of the bond purchase and continuing covenant agreement between FRS and IDB, FRS must maintain a minimum balance with IDB of $4,000,000, which is included within investments in the accompanying consolidated statements of financial position at September 30, 2016 and 2015. At September 30, 2016 and 2015, the outstanding principal balance of the Series 2013A bonds was $17,995,000 and $18,450,000, respectively.

In December 2010, ESNY in connection with the Monroe County Industrial Development Corporation and RBS Citizens Bank, N.A. issued $5,250,000 in Series 2010 tax-exempt Revenue Bonds ("Series 2010"). The Series 2010 bonds were used to finance the acquisition of certain property located in Irondequoit, New York and to refinance certain ESNY debt. The Series 2010 bonds are secured by a mortgage on all properties and improvements financed by the bond and, after the transfer of sole membership of ESNY from Easter Seals New Hampshire, are guaranteed by FRS. ESNY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee as defined in the agreement. The agreement also requires bank approval prior to ESNY incurring additional indebtedness. The Series 2010 bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016 and thereafter every five years through June 1, 2036. At September 30, 2016 and 2015, the outstanding principal balance of the Series 2010 bonds was $4,683,050 and $4,834,502, respectively.

On February 23, 2011, ESNY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Bonds. The swap agreement had an outstanding notional amount of $4,929,360 and $4,792,110 at September 30, 2016 and 2015, respectively. The outstanding notional amount decreases, in conjunction with bond principal reductions, until the agreement terminates in January 2031. ESNY remits interest at fixed rate of 2.99% and receives interest at a variable rate ((68% of the sum of the monthly LIBOR rate plus 2.65% (1.93% and 1.92% at September 30, 2016 and 2015, respectively)). The fair value of the interest rate swap agreement as of September 30, 2016 and 2015 reflected a liability of $977,731 and $816,322, respectively. The swap is included within other liabilities in the accompanying consolidated statement of financial position, and is classified as Level 2 within the fair value hierarchy.

The following is a summary of minimum principal payments due on the notes and bonds at September 30, 2016:

	Notes Payable	Bonds Payable	Total
Year Ending September 30,			
2017	$ 145,475	$ 609,520	$ 754,995
2018	40,950	633,450	674,400
2019	42,496	657,500	699,996
2020	43,916	681,670	725,586
2021	45,765	731,050	776,815
Thereafter	1,701,663	19,364,860	21,066,523
Total	$ 2,020,265	$ 22,678,050	24,698,315
Less current portion			754,995
Long-term debt, net of current portion			$ 23,943,320

10. ADVANCE FROM GOVERNMENT AGENCY

On August 1, 2012, FRS entered in a contract with New York City Human Resources Agency ("HRA") to operate HRA's WeCare program in the Boroughs of Brooklyn and Queens. Under the terms of the contract, HRA made an advance of $4,689,872 to FRS, for working capital purposes. This advance is non-interest bearing and will be recouped during the course of the contract in accordance with HRA policy, but no later than the last year of the contract (i.e., July 31, 2015). At September 30, 2014, the advance from government agency was $2,629,782, and in accordance with the agreement terms, the remaining balance was paid in fiscal 2015. The contract was renewed for an addition 2-year period, and on July 13, 2015, HRA made another advance of $1,800,000 for working capital purposes. This advance was non-interest bearing and was be recouped during the course of the contract in accordance with HRA policy beginning January 2016, but no later than July of 2016. At September 30, 2016 and September 30, 2015, the advance from government agency was $0 and $1,800,000 respectively.

11. COMMITMENTS AND CONTINGENCIES

FEDCAP has leases for offices, program related facilities, and equipment expiring at various dates through 2032. The approximate future minimum lease commitments under existing operating leases are as follows:

Year Ending September 30,	
2017	$ 8,830,079
2018	7,620,584
2019	3,184,716
2020	1,111,473
2021	821,935
Thereafter	4,483,020
Total	$ 26,051,807

Certain office leases contain renewal and escalation clauses. For leases with escalation clauses, FEDCAP recognized rent expense on a straight-line basis and recognized a deferred rent liability of $1,161,996 and $870,055 at September 30, 2016 and 2015, respectively, which is included in other liabilities in the accompanying consolidated statements of financial position. In addition to the base rents, FEDCAP is obligated to pay additional amounts for increased operating costs.

Rent expense was $10,118,415 and $7,893,410 for the years ended September 30, 2016 and 2015, respectively.

CWS sublets a portion of its facilities to tenants under operating leases that expire between April 2017 and May 2020. For the years ended September 30, 2016 and 2015, rental income from these subleases was $324,857 and $285,957, respectively. The future minimum sublease rental payments to be received are as follows:

Year Ending September 30,	
2017	$ 236,756
2018	160,000
2019	170,000
2020	43,125
Total	$ 609,881

FEDCAP is engaged in various lawsuits incidental to its operations. In the opinion of management, the ultimate outcome of pending litigation will not have a material adverse effect on the consolidated financial position and results of operations of FEDCAP.

FEDCAP participates in a number of federal and state programs. These programs require that FEDCAP comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on FEDCAP's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

12. TUITION REVENUE

FRS receives funding for the Career Design School from the New York State Education Department, administered by the Bureau of Proprietary School Supervision. Gross tuition income, which equaled net tuition income, was $1,158,080 and $1,049,705 for the years ended September 30, 2016 and 2015, respectively, and has been included within rehabilitation and vocational programs in the accompanying consolidated statements of activities.

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes as of September 30, 2016 and 2015:

	2016	2015
For use in future periods for:		
Employment and job search programs	$ 413,139	$ 693,049
Time restricted	1,156,133	1,482,043
Total	$ 1,569,272	$ 2,175,092

Net assets released from restrictions during the years ended September 30, 2016 and 2015 were as follows:

	2016	2015
Employment and job search programs	$ 745,820	$ 572,503

14. RELATED PARTY TRANSACTIONS

Members of the Board of Directors of FEDCAP are associated with a law firm that has provided legal services to FEDCAP with fees of $285,776 and $176,548 during the years ended September 30, 2016 and 2015, respectively.

A CWS Board member is a trustee of the Eaton Fund, the holder of the CWS promissory note (refer to Note 9). CWS also leases its facilities from the Eaton Fund. Rent paid to Eaton Fund for the years ended September 30, 2016 and 2015 was $129,996.

15. EMPLOYEE BENEFIT PLANS

Effective January 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the Internal Revenue Code for employee voluntary salary reduction contributions. Employees are eligible to participate in the plan as of their employment date.

Effective October 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the Internal Revenue Code for employees working on government contracts with a defined contribution pension plan based on a contractual formula. Employees are eligible to participate in the plan upon satisfactory completion of a three-month probationary period.

Effective October 1, 1994, FEDCAP established a Defined Contribution Plan under Section 403(b) of the Internal Revenue Code for qualified participants, primarily employees who do not work on contracts. In November 1, 2010, the Defined Contribution Plan was amended to allow all employees to participate in the plan immediately upon hire. FEDCAP matches employee contributions up to 3% of their salaries. Employer matching contributions fully vest after three years of employment.

Plan contributions are invested in one or more of the funding vehicles available to participants under the plans. Each participant is fully and immediately vested in employee contributions. Employer contributions to the plan amounted to $6,492,132 and $5,491,104 for the years ended September 30, 2016 and 2015, respectively.

16. ACQUISITION

Effective September 1, 2015, FEDCAP acquired and became the sole member of ESNY. The determination to acquire ESNY was predicated on the similarities in mission. ESNY's mission is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities. This acquisition was effected without the transfer of consideration, and as such an inherent contribution of $463,280 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

Cash and cash equivalents	$	812,974
Investments		738,949
Accounts receivable, net		2,385,468
Contributions receivable		906,326
Prepaid expenses and other assets		171,582
Inventory		8,803
Beneficial interest in trust		501,660
Other assets		166,330
Fixed assets		7,966,157
Accounts payable and accrued expenses		(1,885,181)
Deferred revenue		(590,136)
Current portion of long term- debt		(44,219)
Revolving loan		(3,101,513)
Other liabilities		(737,503)
Capital lease obligation		(78,235)
Long term notes and mortgage payable		(6,758,182)
	$	463,280

Effective September 1, 2016, FEDCAP acquired and became the sole member of ESRI. The determination to acquire ESRI was predicated on the similarities in mission. ESRI's mission is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities. This acquisition was effected without the transfer of consideration, and as such an inherent contribution of $68,889 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

Cash and cash equivalents	$	500
Investments		5,520
Prepaid expenses and other assets		11,290
Beneficial interest in trust		35,760
Fixed assets		23,038
Accounts payable and accrued expenses		(7,219)
	$	68,889

Effective May 1, 2016, FEDCAP acquired and became the sole member of Granite Pathways. The determination to acquire Granite Pathways was predicated on the similarities in mission. Granite Pathways' mission is to provide services to empower and support adults with mental illness to pursue their personal goals through education, employment, stable housing, and meaningful relationships. This acquisition

was effected without the transfer of consideration, and as such an inherent contribution of $9,841 was recognized, which represented the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

Cash and cash equivalents	$	9,702
Accounts receivable, net		274
Accounts payable and accrued expenses		(135)
	$	9,841

On May 1, 2016, a Red Mango franchise was donated to ESNY, incorporated as 1184 Deer Park Ave., Inc. ("1184"). The entity is currently managed as a for-profit corporation, but may be repurposed as a social enterprise to include a training center and employment opportunities for Veterans.

This acquisition was effected without the transfer of consideration and as such an inherent contribution of $123,650 was recognized, which represented the acquisition date fair values of the identifiable assets acquired, there was no assumption of liabilities. Identifiable assets acquired comprised solely of equipment.

17. CONCENTRATIONS

FEDCAP provides building services for federal buildings, which comprised 21% and 28% of total revenues during the years ended September 30, 2016 and 2015, respectively. FEDCAP provides offsite data entry personnel, custodial and other services to various branches of the state and city government through one New York State organization, which comprised 10% and 12% of total revenues during the years ended September 30, 2016 and 2015, respectively. FEDCAP provides homecare services to one customer comprising 2% of total revenues during the years ended September 30, 2016 and 2015, respectively.

Financial instruments that potentially subject FEDCAP to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. Management does not believe that a significant risk of loss exists due to the failure of a financial institution.

18. SUBSEQUENT EVENTS

FEDCAP evaluated its September 30, 2016 consolidated financial statements for subsequent events through March 6, 2017, the date the consolidated financial statements were available for issuance. Except as discussed in Note 8, above, and the subsequent paragraphs, FEDCAP is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements.

On November 1, 2016, GP entered into a combination agreement with Seacoast Pathways, Inc to become its sole member. The determination to acquire Seacoast Pathways, Inc. was predicated on the similarities in mission and a geographic expansion of services in the New England Region. The mission of Seacoast Pathways is to support adults living with mental illness on their paths to recovery through the work-ordered day.

On February 1, 2017, FRS entered into a combination agreement with Single Stop USA, Inc to become its sole member. The determination to acquire Single Stop USA, Inc. was predicated on the similarities in mission. Single Stop provides coordinated services to holistically connect people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency.

SUPPLEMENTARY INFORMATION

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Consolidating Schedule of Financial Position

As of September 30, 2018

	Fedcap Rehabilitation Services, Inc.	Wildcat Service Corporation	ReServe	Community Work Services	Easter Seals NY	Granite Pathways	[illegible]	Easter Seals [illegible]	Eliminations	Consolidated
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ -	$ [illegible]
Accounts receivable (net of allowance for doubtful amounts of approximately [illegible] in 2018 and [illegible] in 2017)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-	[illegible]
Intercompany accounts receivable	[illegible]	-	-	-	-	-	-	-	[illegible]	-
Contributions receivable (net of allowance for uncollectible contributions of approximately [illegible] in 2018 and 2017)	[illegible]	-	[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]
Inventory, net	[illegible]	-	-	[illegible]	[illegible]	-	-	-	-	[illegible]
Prepaid expenses and other assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-	[illegible]
Total current assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Investments	[illegible]	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]
Fixed assets, net	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Art objects	[illegible]	-	-	-	-	-	-	-	-	[illegible]
Beneficial interest in remainder trust	[illegible]	-	-	-	[illegible]	-	-	[illegible]	-	[illegible]
Other assets	[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Total assets	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued liabilities	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ -	$ [illegible]	$ -	$ [illegible]
Intercompany payable	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Deferred revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]
Advance from government agency	-	-	-	-	-	-	-	-	-	-
Current portion of long term debt	[illegible]	-	-	[illegible]	[illegible]	-	-	-	-	[illegible]
Total current liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LONG-TERM LIABILITIES										
Obligations under capital leases	[illegible]	-	-	[illegible]	[illegible]	-	-	-	-	[illegible]
Long-term debt, net of current portion	[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]
Revolving loan	[illegible]	-	-	-	[illegible]	-	-	-	-	[illegible]
Other liabilities	[illegible]	-	-	[illegible]	[illegible]	-	-	-	-	[illegible]
Total liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NET ASSETS										
Unrestricted	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Temporarily restricted	[illegible]	-	[illegible]	-	[illegible]	-	-	-	-	[illegible]
Permanently restricted	-	-	[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]
Total net assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Total liabilities and net assets	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Consolidating Schedule of Activities

For the year ended September 30, 2018

	Unrestricted								
	Fedcap Rehabilitation Services Inc.	Wildcat Service Corporation	ReServe	Community Work Services	Easter Seals New York	Granite Pathways	[illegible]	Easter Seals Rhode Island	Consolidated
REVENUES									
Contract services and products	$ 93,664,468	$ 7,418,781	$ -	$ 1,068,809	$ -	$ -	$ 109,570	$ -	$ 102,312,128
Rehabilitation and vocational programs	81,674,495	1,718,623	4,280,802	3,898,639	28,683,196	179,279	-	53,604	120,436,118
Contributions and grants	944,257	-	154,132	708,307	1,431,396	133,110	-	4,146	3,416,316
In-kind Contribution	-	-	-	-	-	9,041	123,650	68,139	202,380
Interest income	122,888	-	599	379	900	-	-	-	124,717
Miscellaneous revenue	1,672,579	-	-	-	124,804	-	-	-	1,797,383
Net assets released from restrictions	549,563	-	79,691	60,494	65,472	-	-	-	745,220
Total revenues	178,615,330	9,136,764	4,516,013	5,637,348	30,371,960	342,234	293,220	126,129	279,974,862
EXPENSES									
Program services:									
Contract services and products	83,569,760	5,974,631	-	1,248,252	12,883	-	176,668	-	90,980,394
Rehabilitation and vocational programs	49,984,000	1,789,578	4,087,698	3,023,312	26,673,293	342,222	-	75,736	101,052,579
	133,578,760	7,764,629	4,087,698	4,271,564	26,686,176	342,222	176,668	75,736	196,849,893
Supporting services:									
Management and general	23,073,334	1,806,617	758,253	1,387,821	2,398,847	-	-	27	29,564,319
Development	667,466	-	-	37,730	1,193,093	-	-	18,577	1,576,378
	23,740,700	1,806,617	758,253	1,425,551	3,590,252	-	-	18,604	31,388,897
Total expenses	157,319,460	9,571,246	4,845,951	5,697,115	30,279,030	342,222	176,668	94,340	228,038,196
Change in net assets - Unrestricted	795,770	564,518	(329,838)	(59,767)	48,930	100,016	116,552	31,741	1,864,672
Net assets at beginning of year - Unrestricted	33,972,402	(1,290,454)	(173,604)	287,703	(652,360)	-	-	-	32,173,763
Net assets at end of year - Unrestricted	$ 34,768,272	$ (930,919)	$ (503,442)	$ 227,736	$ (603,422)	$ 100,016	$ 116,552	$ 31,741	$ 34,138,475

	Temporarily Restricted								
	Fedcap Rehabilitation Services Inc.	Wildcat Service Corporation	ReServe	Community Work Services	Easter Seals New York	Granite Pathways	[illegible]	Easter Seals Rhode Island	Consolidated
REVENUES									
Contributions and grants	$ -	$ -	$ 98,000	$ -	$ 50,000	$ -	$ -	$ -	$ 148,000
Net assets released from restrictions	(549,563)	-	(79,691)	(60,494)	(65,472)	-	-	-	(765,220)
Total revenues	(549,563)	-	18,309	(60,494)	(13,477)	-	-	-	(605,220)
Change in net assets - Temporarily Restricted	(549,563)	-	18,309	(60,494)	(13,477)	-	-	-	(605,220)
Net assets at beginning of year - Temporarily Restricted	1,907,068	-	31,770	60,494	233,560	-	-	-	2,173,992
Net assets at end of year - Temporarily Restricted	$ 1,357,505	$ -	$ 42,079	$ -	$ 219,088	$ -	$ -	$ -	$ 1,599,272

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

Consolidated Schedule of Functional Expenses

For the year ended September 30, 2016 (with comparative totals for the year ended September 30, 2015)

	Program Services			Supporting Services				2015
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	Total Expenses	Total Expenses
Salaries and related expenses	$ 62,472,843	$ 64,699,672	$ 127,171,715	$ 13,305,571	$ 548,937	$ 13,854,508	$ 141,026,223	$ 90,594,957
Professional fees	68,839	3,172,244	3,240,183	2,730,162	158,227	2,888,389	6,108,672	2,946,216
Professional development and evaluation	31,297	497,833	529,130	66,179	17,569	83,879	612,999	354,221
Materials and supplies	4,818,219	1,345,536	6,163,755	271,163	69,925	340,988	6,504,743	5,561,803
Commissions	2,530,631	-	2,530,631	-	-	-	2,530,631	2,851,136
Telephone	157,463	331,983	489,346	571,165	13,905	585,070	1,074,416	552,692
Postage and shipping	867,968	174,743	1,042,711	152,708	4,083	156,791	1,199,494	1,167,826
Insurance	1,165,195	770,839	1,936,034	675,994	2,486	678,480	2,614,504	2,481,855
Occupancy costs	293,812	12,457,382	12,751,134	840,604	51,048	891,652	13,642,766	11,597,139
Equipment rental and maintenance	361,995	290,220	652,215	233,338	4,434	237,772	889,987	908,295
Equipment purchases	245,883	64,505	310,388	19,769	400	20,169	330,557	914,906
Client transportation and travel	211,300	3,817,503	4,028,803	381,644	21,773	403,417	4,432,240	3,297,476
Subscriptions and printing	61,725	36,171	97,896	118,184	38,866	157,050	254,946	193,866
Technology	121,860	725,665	847,525	1,537,913	16,738	1,603,751	2,451,276	2,668,360
Interest expense and bank charges	138	32,862	33,000	3,434,176	114	3,444,290	3,476,890	2,716,860
Bad debt provision (recovery)	-	102,377	102,377	943,999	-	943,999	1,046,376	(206,665)
Subcontractor expense	16,987,218	10,184,619	27,152,037	39,767	-	39,767	27,191,804	28,438,117
Stipends	138	4,336,245	4,336,383	85,598	6,845	92,443	4,428,846	4,309,751
Security, guard expense	2,376	684,253	686,629	63,729	-	63,729	750,358	667,368
Other	433,246	1,177,447	1,610,693	735,463	758,426	1,513,889	3,124,582	1,660,233
Total expenses before depreciation and amortization	90,830,326	105,111,259	195,951,885	26,486,429	1,673,616	28,160,045	224,111,930	170,388,633
Depreciation and amortization	155,928	741,180	897,108	2,018,890	2,962	2,021,852	2,918,960	3,218,960
Total expenses	$ 90,986,554	$ 105,862,539	$ 196,849,093	$ 29,504,319	$ 1,676,578	$ 31,181,897	$ 227,030,890	$ 173,707,593

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

GRANITE PATHWAYS

Powered by FEDCAP

BOARD OF DIRECTORS

William Rider, Interim Chairman

Lynne Westaway, Treasurer

Deborah Jameson

Courtney Gray-Tanner

Nick Brattan
C/O NE Documents Systems

Mark Lore

Jacqueline Ellis, Board Chair of Seacoast Pathways

Heather Blumenfeld, SHRC Peer Leadership Council

ROBIN FISK, JD, MHCDS

SENIOR VICE PRESIDENT OCCUPATIONAL HEALTH

- Experienced health lawyer with a demonstrated record working with teams to build networks, projects and companies
- A practical visionary working on health delivery system transformation,
- Functioned as in-house counsel for managed care companies in metro New York, Texas and Massachusetts
- Served as lead counsel for 4 insurer start-ups, several service line and service area expansions and as contract counsel to a national provider
- Detail-oriented draftsperson, experienced with designing and documenting complex health system structures and financial risk arrangements
- Served as specialty counsel to system legal departments.
- Incorporates her big picture view and coaching style into her work
- Compliance-minded professional with demonstrated capability managing regulatory relationships

EXPERIENCE

2017 to present Senior Vice President, Occupational Health Fedcap Rehabilitation Services, Inc.

- Responsible for overall division management, program expansion, and development, fiscal integrity, quality compliance and external relationships

2016 to 2017 Corporate Counsel, Apria Healthcare, LLC

- Advised on managed care contracts for national durable medical equipment company

2000 to 2016 Fisk Law Office, PLLC

- Represented health providers, insurers and health plans with an emphasis on commercial, Medicare & Medicaid plans, business arrangements, contract negotiations, claim payment, compliance and regulatory relations
- Functioned as in-house counsel for managed care companies in metropolitan New York, Texas and Massachusetts
- Served as lead counsel for 4 insurer start-ups, several service line and service area expansions and as contract counsel to a national provider

2008 to 2015 Adjunct Instructor, Health Law & Ethics, Plymouth State University MBA Program

2006 to 2011 Contributor, Managed Care Contracting and Provider Payment

- Author of online column on managed care contracting and issues between payers and providers

EDUCATION AND CERTIFICATIONS

- Dartmouth College, Tuck School - The Dartmouth Institute, Master of Health Care Delivery Science, 2017
- Boston University School of Law, Boston, MA. J.D.
- University of Pittsburgh, Pittsburgh, PA, B.A.

- Additional Courses: Courses toward LLM in Taxation at the University of Baltimore School of Law. Courses in Financial and Managerial Accounting, Harvard University Extension

CERTIFICATIONS

Law Licenses in Maryland (inactive); New Hampshire

CRAIG S. STENNING

SENIOR VICE PRESIDENT NEW ENGLAND REGION

QUALIFICATIONS

- Founder and CEO of CODAC Behavioral Health Centers in Rhode Island
- Credited with growing agency to become the largest outpatient provider of recovery services in the New England region
- Extensive government experience, appointed in 2000, as the State of Rhode Island's first Director for the Office of Behavioral Healthcare; in 2004, as the Director of Developmental Disabilities and in 2008, as the Director of the Department of Behavioral Health, Developmental Disabilities and Hospitals—serving in that capacity for two different administration
- Credited for implementing the "Employment First" initiative in Rhode Island, which transitioned individuals from sheltered workshops to integrated community employment

EXPERIENCE

2017 to present **Executive Director, Community Work Services (CWS) and EasterSeals RI; Senior Vice-President for the New England Region, Fedcap Rehabilitation Services, Inc.**

- Responsible for overall program management, program expansion and development, fiscal integrity, quality compliance and external relationships
- Oversight day to day operations of New England division of Fedcap's support services

2015 to 2017 **Executive Director, Easter Seals NY and RI; Senior Vice-President for Occupational Health, Fedcap Rehabilitation Services, Inc.**

- Responsible for the development, funding, licensing and quality assurance of a community based system of care for individuals with substance use disorders and mental health issues – residential, partial hospitalization, intensive outpatient and outpatient; development, funding, licensing and quality assurance of a community based system of care for individuals with intellectual disabilities; and oversight and director of the state's only public medical and psychiatric hospital.

2008 to 2015 **Director, RI Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (formerly MHRH)**

- Appointed and Confirmed under two administrations

2000 to 2008 **Executive Director, Division of Behavioral Health Care Services MHRH – State of Rhode Island**

EDUCATION AND CERTIFICATIONS

- University of Rhode Island, B.A. Degree in Political Science and Urban Studies
- University of Rhode Island, Master's Degree in Public Administration
- Honorary Doctor of Health Sciences, 2011 Rhode Island College

CERTIFICATIONS

- Kennedy School of Public Policy, Harvard University, Senior Leadership Training Program.

- University of Miami and National Institute of Mental Health, Drug Abuse Training Center, Clinical Course
- Yale University, Drug Dependence Institute
- University of Rhode Island, College of Business, Administrative Planning for Non-Profit Agencies
- Leadership Rhode Island, Community Leadership Development Program

PATRICIA M. REED

NEW HAMPSHIRE STATE DIRECTOR

Demonstrated Executive with nearly 30 years' experience serving individual in children and youth services, addiction services, residential treatment and disabilities

EXPERIENCE

2018 New Hampshire State Director, Fedcap Rehabilitation Services, Inc., Manchester, NH

- Responsible for overall program management, program expansion and development, fiscal integrity, quality compliance and external relationships in New Hampshire for Granite Pathways, Inc.

2017 to 2018 Consultant

- Provide system analysis and consultation for a variety of entities providing services to individuals with intellectual and other developmental disabilities and behavioral health needs
- Led three NH regional agencies serving this population to plan for youth with challenging behaviors to receive adult services to meet their needs in a community based context

2015 to 2017 Vice President and Chief Operating Officer, Lakeview Management, Inc., Austin TX

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2015 Executive Director, Lakeview Neurorehabilitation Center, Inc., Effingham, NH

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2014 to 2015 Children's Director, NH Bureau of Behavioral Health, Concord, NH

- Responsible to provide leadership in planning and development of the state children's behavioral health system, act as liaison between CMHC Children's programs and the state office for program and client specific information exchange and problem solving
- Provided support to implement statewide initiatives
- Represented the Department of Health and Human Service on the Children's Behavioral Health Collaborative Executive Committee, Steering Committee and various workgroups
- Co-coordinated the Safe Schools/Health Students grant with the Department of Education

2011 to 2014 Project Director, Health Profession Opportunity Project, NH Office of minority Health and Refugee Affairs, Concord, NH

- Directed and implemented a five-year, $12 million-dollar healthcare workforce development grant to recruit, train and place low income individuals in healthcare jobs
- Developed RFP's, negotiated and managed contracts, and monitored grant and contractor budgets
- Worked closely with regional health care providers to understand their workforce needs; partnered with educational programs and other community groups to ensure that the individuals are well prepared to meet employer expectations for technical and soft skills
- Provided leadership and direction to develop innovative strategies to overcome system based barriers to education, training and self-sufficiency for NH citizens
- Collaborated with other NH workforce programs to efficiently use available resources to achieve shared employment goals

2002 to 2010 Senior Director of Clinical Services, Easterseals of NH, Manchester, NH

- Provided leadership and oversight for the design, organization and delivery of clinical services for the Easterseals NH, including the development of Autism Services, an adolescent program for dual disorder treatment, residential DBT program and management of a residential treatment program for adults with substance abuse issues
- Provided oversight for the DCYF Administration Case Review contract
- Developed and monitored budgets for programs
- Worked collaboratively with Easterseals Development to write federal, state, and foundation grants, progress reports and budget monitoring
- Directed to developed relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources

EDUCATION

- Boston College, Chestnut Hill, MA: Graduate School of Arts and Science Department of Sociology (Four Year Doctoral Work)
- B.A. Norte Dame College, Manchester, NH Major- Behavioral Science/ Minor- English Summa Cum Laude, Dean's List

RESEARCH EXPERIENCE

Contracted to assist staff and clients on three community based residential facilities in the development of client self-government programs through participant observation and didactics. Responsible for both training and evaluation. Sites included Seacoast Mental Health Center- Portsmouth, NH and Greater Manchester Mental Health Center- Manchester, NH. Responsible for leading the research design, data collection and reporting for the evaluation of a partial Hospital Program. The primary methodology was intensive interviewing.

Wellington O. Njoku

An ambitious health care Finance Professional with sound judgment and decision-making skill; Extensive experience in Home Health, Hospice and Hospital Medicare, Medicaid, MCO billing and revenue cycle management.

Education

Oral Roberts University, Tulsa, Oklahoma
Master's in Business Administration (MBA)
Federal University of Technology Owerri, Nigeria
Bachelor of Science, Engineering

Certifications:
HFMA – Certified Healthcare Finance Professional (in progress)
CIMA – Certificate of Business Accounting
NIM - Proficiency Certificate in Management

Highlights and Proficiencies

- Over 6 years of experience in the Health Care industry
- Over 4 years of effective management in Healthcare Finance.
- Understanding of Medicare and Medicaid regulatory requirements.
- Excellent presentation skills
- Knowledge of HMOs, Medicare and Medicaid billing requirements
- Strong Analytical and Critical thinking skills
- Strategic planning experience in the Healthcare industry
- Knowledge of HIPAA compliance
- Extensive knowledge of several medical billing software
- Denied Claim analysis and resolution
- Medicare and Commercial Insurance eligibility determination

Professional History

FEDCAP Rehabilitation Services, NY, NY
Billing & Collections Specialist
2/2017- Current

- Processed and sent billing claims (electronic & paper) to various payers including Health First, Senior Health partners, ICS, Visiting Nurses etc.
- Accounts Receivables
- Cash Posting
- Produced biweekly billing reports which are presented to management.
- Conducted insurance benefits and eligibility checks for Clients'/Patients
- Monitored and ensured the payment for services provided
- Monitored accounts receivable and ensured the Aging stays below 90 days
- Monitored all client accounts receivable activity and performance and initiated appropriate corrective measures as needed.

- Researched and solved complex billing and account receivable problems

Magna Health Care Inc. Broken Arrow, OK
Billing/ Revenue Cycle Manager
8/2013 – 1/2017

- Monitored and worked with the Chief compliance officer to ensure prompt compliance with existing and new regulations from Medicare, Medicaid and other contracts.
- Worked with the Chief Operating Office to ensure prompt filing of all required financial and regulatory document.
- Reviewed and developed a more effective audit process
- Reviewed and developed new billing policy and procedures for Magna Home Health, Magna Hospice and Magna Community living Services.
- Developed processes for the efficient and successful flow of interdependent information between Direct Care/Clinical staff and the billing department; and between the billing department and Senior Management.
- Served as in-house project manager on various software implementation projects
- Served as the contact person/ liaison for our software vendors
- Presented monthly billing reports to the Financial controller
- Presented Quarterly billing reports to CFO, COO and their teams.
- Provided Software training for new employees
- Served as resource person various project teams and conducted feasibility studies and analyses of acquisitions and startup projects.
- Developed User manuals: "How toes" handbooks for various software
- Served as contact person in the acquisition, research and selection of Software
- I developed processes and policies for handling Appeals, Denials, Recoupments, and Secondary payer and other complex billing situations.
- Resolves complex Client, Billing & Claims issues when necessary.
- Oversaw the billing and collections department of Magna Home Health, Magna Hospice and Magna Community living services.

Magna Health Care, Inc. Broken Arrow, OK
Billing Coordinator
8/2011 – 7/2013

- I coordinated the activities of three others billing staffs in the claims/billing department.
- I processed and sent billing claims (electronic & paper) to various payers including Medicare, Humana and other Commercial Insurance
- I produced biweekly billing reports which are presented to management.
- I conducted insurance benefits and eligibility checks for Clients'/Patients
- I monitored and ensured the payment of Outliers by Medicare where applicable.
- Identified "bottlenecks" in the billing process and suggested new and improved processes that reduced the overall billing cycle.
- I coordinated the daily performance of the billing department and all accounts receivable operations
- Created a financial Scorecard to monitor and communicate the financial performance of Magna Home Health to Management.

- Oversaw the transition into new billing software and coordinated the appropriate setup of different payers' electronic claims and billing profiles.
- Monitored all client accounts receivable activity and performance and initiated appropriate corrective measures as needed.

Magna Health Care, Inc. Broken Arrow, OK
IT Support Staff/ Trainer
5/2010 - 8/2011

- Install and perform minor repairs to hardware, software, or peripheral equipment, following design or installation specifications.
- Set up equipment for employee use, performing or ensuring proper installation of cables, operating systems, or appropriate software.
- Maintain records of IT inventory, daily data communication transactions, problems and remedial actions taken, or installation activities.
- Manage user and resource accounts in Active Directory.
- Perform daily server and backup operations.
- Ensure computers have the mandatory security software to protect against external threats.
- Refer major hardware or software problems or defective products to vendors or technicians for service
- Confer with staff, users, and management to establish requirements for new systems or modifications.
- Read technical manuals, confer with users, or conduct computer diagnostics to investigate and resolve problems or to provide technical assistance and support.
- Develop training materials and procedures, or train users in the proper use of hardware or software.
- Answer user inquiries regarding computer software or hardware operation to resolve problems.
- Served as a resource person on various software – including
- Served as the in-house project Manager on various software implementation projects

Federal University of Technology, Yola, Nigeria
Graduate Assistant
8/2007 – 7/2008

- Taught Material Science and Engineering Tutorial classes to second year Engineering students
- Taught Corrosion Engineering Tutorial Classes to third year Engineering students
- I provided guidance to final years mechanical engineering students on how to locate appropriate information on their final year projects.
- I provided administrative assistance to Head of Department (Chair) of Mechanical Engineering Department. Assisted in invigilating students in both Examination and Test exercises

REFERENCES AVALAIBLE UPON REQUEST

DONNA KEEFE

EDUCATION | Trinity High School, Manchester, NH
Springfield College – BS Human Services/Administration
Recovery Coach Academy & Training of Trainers – certified

EXPERIENCE | **12/1/2015 – Present**

DIRECTOR OF NEW INITITIVES – GRANITE PATHWAYS NH

Granite Pathways is a subsidiary of Fedcap. As the Director of New Initiatives, I manage the local day to day infrastructure and work with referring agencies to identify, develop and maintain relationships pertaining to billing, community relations and development. I was also instrumental with the startup program development and implementation of 5 programs in NH, other duties include: staff supervision, communication management with our corporate office and BOD communications.

9/2013 – 12/1/2015
NE DIRECTOR OF ADMISSIONS & CLIENT SERVICES
FEDCAP REHABILITATION SERVICES
As the NE Director of Admissions & Client Services, I supervised the admissions process throughout the Fedcap NE regions working with all the referring agencies to identify, develop and maintain relationships pertaining to billing & client services. In this role, I worked in RI to systematically manage the federally mandated Interim Settlement Agreement that shut down segregated workshops for the DD population. The Fedcap team in RI developed programs and systems to train the IDD population to be gainfully employed in the community. This effort is nationally recognized as Fedcap continues to educate other national agencies via our RI, National Center Institute for System Improvement seminars available on the Fedcap website.

1995 – 2013

DIRECTOR OF ADMISSIONS
EASTER SEALS NH, ME, NY, VT
As Director of Admissions for the Adolescent Residential/Educational Psychiatric & Neurobehavioral Programs I was responsible for the admissions and transitions process within the continuum of care programs as well as the final discharges from Easter Seals. I managed referrals from various states and agencies where I applied knowledge of differing state and agency placement requirements/laws. In addition to working with families I managed the monthly billing, file retention, census/wait list for 6 satellite intensive residential group homes and over 75 foster homes. I implemented may systems to manage the complex admission/discharge process.

1992 – 1995

City of Manchester NH School Department
Served as a liaison between team members – parents, teachers, administrators and students. I was responsible to implement behavior plans/procedures to transition special education students back into the traditional classroom from an alternative/self-contained classroom. I also worked closely and supported low income families through the IEP process at the inner-city schools.

1988-1992
SERESC – BIRCHWOOD HIGH SCHOOL
Aided in developing class curriculums in this alternative setting for the Seriously Emotionally Disturbed students. Taught classes under supervision of teacher, organized field trips and participated in all goal-oriented programs working 1:1 with the students if needed.

AWARDS/RECOGNITIONS/Trainings

1997 – Easter Seals President's Meritorious Award - for outstanding service by an employee

2000 – Easter Seals NH, VT, NY, Employee of the Year – Chosen from 1,200 employees

2003 – Easter Seals Service First Award – Customer Service Award

2004 – Crisis Intervention and Physical Restraint Training

2005 – State of NH DCYF/DJJS Directors Award – this award is given yearly to one NH individual who goes above and beyond to help the state workers solve their difficult cases

2015 – Mental Health First Aid USA

2016 – CCAR Recovery Coach Academy & Training of Trainers Program

2016 – NAMI NH's Connect Suicide Prevention Training

2016 – Crisis Intervention in the Workplace

2016 – Breaking the Stigma – Language Training

2017 – First Aid/CPR and Narcan Training

KAREN VAUGHAN

Project Manager/Writer/Trainer

Training / Education / Video

Creative team leader committed to delivering projects within the defined scope, on time, and on budget. Managed multiple projects with creative teams using concise, and effective communications.

TECHNICAL SKILLS

Adobe Creative Cloud – Premier Elements Video Editing - Final Cut Pro Video Editing – Photoshop - Microsoft Office Products -MS Project – Microsoft Visio - Sage Accounting - Captivate – Lectora - Camtasia – Movie Magic Budget/Scheduling – Final Draft Script Writing

EDUCATION/TRAINING

University of Portland, Portland, OR
BA - Psychology/ Communication/ Marketing
Boston University, Boston, MA
MS Communication Coursework
PMP-Project Management Professional
Project Management Institute, Newton, PA
PMI-ACP Agile PM Coursework
PMI NH Chapter
Final Cut Pro Video Editing
Skillset, London, UK
Recovery Coach Academy
NHADACA Concord NH
Teaching English as a Second Language
ILS, Toronto, Canada

PROFESSIONAL ORGANIZATIONS

Project Management Institute
New Hampshire Chapter

EXPERIENCE

PROJECT MANAGER
GRANITE PATHWAYS CONCORD, NH

Project Management for state wide Mental Health and Substance Use Disorder Agency. Responsible for Budgeting of new and existing programs, State contract liaison, oversee billing development of program policy requirements. Assist with start-up program development and implementation.
Supervision of new staff and communication management with local and corporate staff. Coordinates BOD meetings.

PROJECT MANAGER / TRAINER
FREELANCE – MANCHESTER, NH
PROJECTS

MANCHESTER SCHOOL DISTRICT – SUBSTITUTE TEACHER
Manchester, NH 2017-Present
Substitute Teacher at the Manchester High Schools.

B WELL WITH BETH FINNIGAN - PROJECT MANAGER
Manchester, NH 2017-Present
Certified Holistic Health Coach Practitioner. Project management for launch of an educational health program. Responsibilities include scheduling, training video production and training materials editing.

MA DOC TRAINING ACADEMY - P.M. INSTRUCTIONAL DESIGN
MILFORD, MA 2015-2017
Instructional Design for an educational program to comply with the new PREA law for the Department of Justice. The project included developing blended curriculum for adult learners and organizing a national curriculum launch event. Responsible for Instructional design, classroom training materials, video production, eLearning and testing.

CONSULTANT PROJECT MANAGER
POWERHOUSE CONSULTING, BEDFORD, NH

2012-2014
Project Management for contact center training projects. Performed program analytics, elicited program requirements, analyzed KPIs and assisted with curriculum development. Projects include MedStar Health Assessment and NYU Langone Medical Center. Developed training materials for on-boarding and re-training adult learners. Communicated project updates and reports to key stakeholders.

PROGRAM MANAGER / WRITER
ROW PRODUCTIONS, LONDON ENGLAND

2000-2012
Independent Production Company specializing in video and training, production. Responsible for program development, business cases, complex budgets and schedules, managing creative teams and analysis for key stakeholders. Produced creative projects, delivering finished projects that met the project scope, on time and on budget including: curriculum development and teaching project management, script and copywriting courses and Film Education Workshops curriculum for teachers.

Granite Pathways Inc.
Recovery Access Point Services HUB Manchester & Nashua Sites
"Upon Approval from G&C" - June 30, 2020

KEY PERSONNEL						
Position Title	Staff Name	Site	Salary During 1st Contract Period	FTE	Salary 2nd Contract Period	Amount Paid from this Contract
Snr VP Occupational Health	Robin Fisk	Nashua	$76,502	13%		$9,563
Snr VP Occupational Health	Robin Fisk	Manchester	$76,502	13%		$9,563
Snr VP Occupational Health	Robin Fisk	Nashua & Manch		5%	$ 153,004	$7,650
Snr VP New England Region	Craig Stenning	Nashua	$80,007	13%		$10,001
Snr VP New England Region	Craig Stenning	Manchester	$80,007	13%		$10,001
State Director	Patricia Reed	Nashua	$45,001	25%		$11,250
State Director	Patricia Reed	Manchester	$450,001	25%		$11,250
State Diirector	Patricia Reed	Nashua & Manch		25%	$ 90,001	$22,500
Business Manager Occupational Health	Wellington Njoku	Nashua	$29,994	5%		$1,500
Business Manager Occupational Health	Wellington Njoku	Manchester	$29,994	5%		$1,500
Business Manager Occupational Health	Wellington Njoku	Nashua & Manch		5%	$ 59,990	$2,999
Director, New Initiatives	Donna Keefe	Manchester	$37,128	100%		$37,128
Project Manager	Karen Vaughan	Nashua	$25,002	100%		$25,001
						$159,906

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-07)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Littleton Hospital Association d.b.a Littleton Regional Healthcare		1.4 Contractor Address 600 ST JOHNSBURY RD, LITTLETON, NH, 03561	
1.5 Contractor Phone Number (603) 444-9000	1.6 Account Number 05-95-92-7040-500731 05-95-92-2559-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,572,101
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Robert F. Nutter President	

1.13 Acknowledgement: State of NH, County of GRAFTON

On October 15, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal] DAWN MCPHEE · NOTARY PUBLIC · STATE OF NEW HAMPSHIRE · MY COMMISSION EXPIRES MARCH 23, 2021 · COMMISSIONER OF DEEDS

1.13.2 Name and Title of Notary or Justice of the Peace

Dawn McPhee, Commissioner of Deeds

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: 10/19/18

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials 
Date 10/15/2018

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials _____
Date 10/15/2018

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials 

Date 10/15/2018

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Littleton Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Littleton Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685 and TI080246.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Contractor Littleton Regional Healthcare

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2019)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 322,000.00	$ -	$ 322,000.00		$ -		$ 322,000.00	$ -	$ 322,000.00
2. Employee Benefits	$ 112,500.00	$ -	$ 112,500.00		$ -		$ 112,500.00	$ -	$ 112,500.00
3. Consultants	$ -	$ -	$ -		$ -		$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Rental	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -		$ -		$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Educational	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Lab	$ 10,000.00	$ -	$ 10,000.00		$ -		$ 10,000.00	$ -	$ 10,000.00
Pharmacy	$ 246,000.00	$ -	$ 246,000.00		$ -		$ 246,000.00	$ -	$ 246,000.00
Medical	$ 5,000.00	$ -	$ 5,000.00		$ -		$ 5,000.00	$ -	$ 5,000.00
Office	$ -	$ -	$ -		$ -		$ -	$ -	$ -
6. Travel	$ 2,000.00	$ -	$ 2,000.00		$ -		$ 2,000.00	$ -	$ 2,000.00
7. Occupancy	$ 14,500.00	$ -	$ 14,500.00		$ -		$ 14,500.00	$ -	$ 14,500.00
8. Current Expenses	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Telephone	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Postage	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Audit and Legal	$ 5,000.00	$ -	$ 5,000.00		$ -		$ 5,000.00	$ -	$ 5,000.00
Insurance	$ -	$ -	$ -		$ -		$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -		$ -		$ -	$ -	$ -
9. Software	$ 4,000.00	$ -	$ 4,000.00		$ -		$ 4,000.00	$ -	$ 4,000.00
10. Marketing/Communications	$ 10,000.00	$ -	$ 10,000.00		$ -		$ 10,000.00	$ -	$ 10,000.00
11. Staff Education and Training	$ 15,000.00	$ -	$ 15,000.00		$ -		$ 15,000.00	$ -	$ 15,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -		$ -		$ -	$ -	$ -
13. Other (specific details mandatory):	$ 35,000.00	$ -	$ 35,000.00		$ -		$ 35,000.00	$ -	$ 35,000.00
Flex	$ 50,000.00	$ -	$ 50,000.00		$ -		$ 50,000.00	$ -	$ 50,000.00
					$ -			$ -	$ -
	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
TOTAL	$ 831,000.00	$ -	$ 831,000.00		$ -		$ 831,000.00	$ -	$ 831,000.00

Indirect As A Percent of Direct 0.0%

Contractor Initials

Date 10/15/2018

New Hampshire Department of Health and Human Services

Contractor: Littleton Regional Healthcare

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
Line Item	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 322,000.00	$ -	$ 322,000.00		$ -	$ -	$ 322,000.00	$ -	$ 322,000.00
2. Employee Benefits	$ 112,500.00	$ -	$ 112,500.00		$ -	$ -	$ 112,500.00	$ -	$ 112,500.00
3. Consultants	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Lab	$ 10,000.00	$ -	$ 10,000.00		$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
Pharmacy	$ 145,801.00	$ -	$ 145,801.00		$ -	$ -	$ 145,801.00	$ -	$ 145,801.00
Medical	$ 3,800.00	$ -	$ 3,800.00		$ -	$ -	$ 3,800.00	$ -	$ 3,800.00
Office	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
6. Travel	$ 2,000.00	$ -	$ 2,000.00		$ -	$ -	$ 2,000.00	$ -	$ 2,000.00
7. Occupancy	$ 14,500.00	$ -	$ 14,500.00		$ -	$ -	$ 14,500.00	$ -	$ 14,500.00
8. Current Expenses	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ 5,000.00	$ -	$ 5,000.00		$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
Insurance	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
9. Software	$ 500.00	$ -	$ 500.00		$ -	$ -	$ 500.00	$ -	$ 500.00
10. Marketing/Communications	$ 2,000.00	$ -	$ 2,000.00		$ -	$ -	$ 2,000.00	$ -	$ 2,000.00
11. Staff Education and Training	$ 3,000.00	$ -	$ 3,000.00		$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
12. Subcontracts/Agreements	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ 70,000.00	$ -	$ 70,000.00		$ -	$ -	$ 70,000.00	$ -	$ 70,000.00
Flex	$ 50,000.00	$ -	$ 50,000.00		$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
					$ -	$ -		$ -	$ -
	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
TOTAL	$ 741,101.00	$ -	$ 741,101.00		$ -	$ -	$ 741,101.00	$ -	$ 741,101.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials

Date 10/15/2018

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
    When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/15/2018
Date

Name: Robert F. Nutter
Title: President

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 069905735

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO X YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

RENEWAL CERTIFICATE OF REGISTERED TRADE NAME

OF

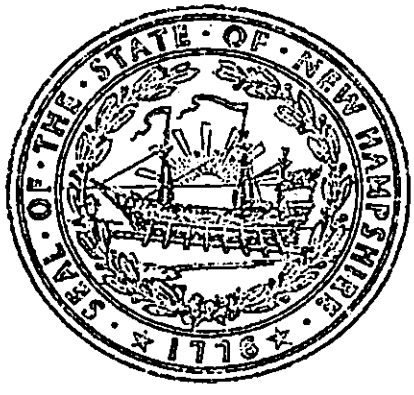
LITTLETON REGIONAL HEALTHCARE

This is to certify that **LITTLETON HOSPITAL ASSOCIATION** reregistered in this office as doing business under the Trade Name **LITTLETON REGIONAL HEALTHCARE**, at 600 St Johnsbury Rd, Littleton, NH, 03561, USAon **5/18/2017 12:00:00 AM.**

The nature of business is **OTHER / Provision of hospital and related health care services**

Expiration Date: **5/18/2022 12:00:00 AM**

Business ID: **671130**



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 28th day of November A.D. 2016.

William M. Gardner
Secretary of State

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LITTLETON REGIONAL HEALTHCARE is a New Hampshire Trade Name registered to transact business in New Hampshire on May 18, 2012. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **671130**
Certificate Number: **0004197496**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of October A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, WILLIAM BEDOR, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Littleton Regional Healthcare.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of

the Agency duly held on December 12, 2016:
(Date)

RESOLVED: That the ROBERT F. NUTTER_
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the first day of November, 2018.
(Date Contract Signed)

4. Robert F. Nutter is the duly elected President
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Grafton

The forgoing instrument was acknowledged before me this 9 day of October 2018.

By WILLIAM BEDOR.
(Name of Elected Officer of the Agency)

(Notary Public/Justice of the Peace)

(NOTARY SEAL) DAWN McPHEE NOTARY PUBLIC STATE OF NEW HAMPSHIRE - MY COMMISSION EXPIRES MARCH 23, 2021

Commission Expires: 03/23/2021

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/8/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J Gallagher Risk Management Services 470 Atlantic Avenue Boston MA 02210	CONTACT NAME: PHONE (A/C, No, Ext): 617-261-6700 FAX (A/C, No): 617-646-0400 E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : National Fire & Marine Insurance Co	20079
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED: NORTCOU-22
North Country Healthcare, Inc.
Littleton Regional Hospital
600 St. Johnsbury Road
Littleton NH 03561

COVERAGES **CERTIFICATE NUMBER:** 549270678 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			HN017659	10/1/2018	10/1/2019	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 1,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 3,000,000
	X POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$ 3,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N / A						E.L. EACH ACCIDENT	$
	(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			HN017659	10/1/2018	10/1/2019	$1,000,000 $3,000,000	Per Occurence Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER

State of NH DHHS
129 Pleasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patrick J. Veale

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/8/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 470 Atlantic Avenue Boston MA 02210	CONTACT NAME: PHONE (A/C, No, Ext): 617-261-6700 FAX (A/C, No): 617-646-0400 E-MAIL ADDRESS:
INSURED LITTREG-01 Littleton Regional Healthcare 600 Saint Johnsbury Road Littleton NH 03561	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : New Hampshire Employers Insurance Company INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 1525921812 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			ECC-600-4000559-2018A	10/1/2018	10/1/2019	X PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 500,000
							E.L. DISEASE - POLICY LIMIT	$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

State of NH DHHS
129 Pleasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patrick J. Veale

NCH north country healthcare | Littleton Regional Healthcare

About LRH

Our Mission

To provide quality, compassionate and accessible healthcare in a manner that brings value to all.

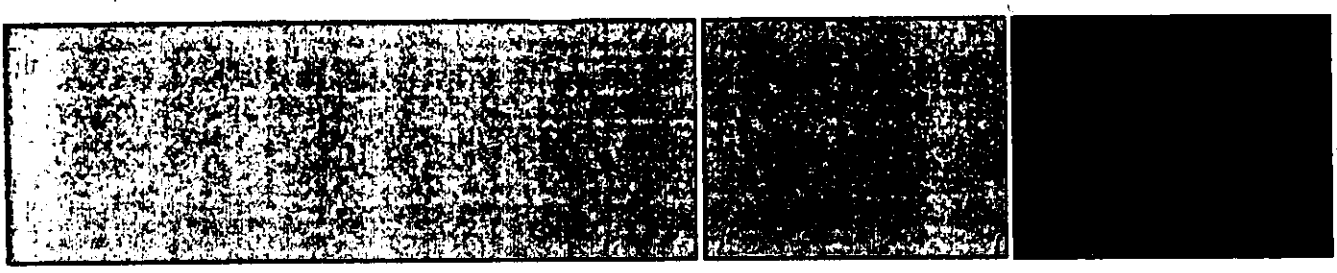
Our Vision

LRH will be the leading provider of health care, and the best organization in which to work.

Our Values

- ICARE: Integrity, Compassion, Accountability, Respect, Excellence

BerryDunn



LITTLETON REGIONAL HEALTHCARE

LITTLETON HOSPITAL ASSOCIATION, INC. (d/b/a LITTLETON REGIONAL HEALTHCARE)

FINANCIAL STATEMENTS

September 30, 2017 and 2016

With Independent Auditor's Report

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

September 30, 2017 and 2016

Table of Contents

BerryDunn

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Littleton Hospital Association, Inc.
(d/b/a Littleton Regional Healthcare)

We have audited the accompanying financial statements of Littleton Hospital Association, Inc. (d/b/a Littleton Regional Healthcare), which comprise the balance sheets as of September 30, 2017 and 2016, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Littleton Regional Healthcare as of September 30, 2017 and 2016, and the results of their operations, changes in their net assets, and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 12, 2017

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Balance Sheets

September 30, 2017 and 2016

ASSETS

	2017	2016
Current assets		
Cash and cash equivalents	$ 7,129,371	$ 7,804,645
Patient accounts receivable, net	8,606,746	8,877,739
Supplies	1,821,601	1,580,635
Due from related party	147,838	-
Prepaid expenses and other current assets	2,742,407	2,913,957
Total current assets	20,447,963	21,176,976
Assets limited as to use	43,086,906	35,876,569
Property and equipment, net	38,567,557	41,531,454
Total assets	$102,102,426	$ 98,584,999

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	2017	2016
Current liabilities		
Current portion of long-term debt	$ 1,138,865	$ 1,810,031
Accounts payable and other accrued expenses	3,134,799	3,936,579
Accrued salaries, wages and related accounts	2,944,968	3,172,593
Other current liabilities	863,987	580,859
Due to third-party payors	8,359,268	6,958,966
Reserve for self-funded health insurance	395,941	515,941
Due to related party	43,714	-
Total current liabilities	16,881,542	16,974,969
Deferred compensation	2,626,634	1,936,718
Long-term debt, less current portion	26,262,379	26,719,434
Interest rate swap	2,382,162	3,481,028
Total liabilities	47,152,717	49,112,149
Net assets		
Unrestricted	52,340,287	47,191,321
Temporarily restricted	614,117	459,376
Permanently restricted	1,995,305	1,822,153
Total net assets	54,949,709	49,472,850
Total liabilities and net assets	$102,102,426	$ 98,584,999

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Statements of Operations

Years Ended September 30, 2017 and 2016

	2017	2016
Unrestricted revenues, gains and other support		
Patient service revenue (net of contractual allowances and discounts)	$ 85,889,056	$ 88,243,501
Less provision for bad debts	4,447,206	4,097,253
Net patient service revenue	81,441,850	84,146,248
Other operating revenues	3,698,567	3,021,290
Meaningful use incentive revenue	120,392	257,207
Net assets released from restrictions used in operations	123,748	59,084
Total unrestricted revenues, gains and other support	85,384,557	87,483,829
Expenses		
Salaries and wages	22,181,181	22,359,051
Employee benefits	7,743,282	9,620,749
Physician salaries and wages	17,580,322	18,008,238
Medicaid enhancement tax	3,510,562	3,436,805
Contract labor	1,484,543	1,257,241
Medical supplies	11,412,042	10,908,885
Other supplies and services	13,262,855	13,537,270
Utilities	1,160,139	1,125,458
Insurance	453,959	988,435
Depreciation	4,848,787	5,242,670
Interest	916,368	894,423
Total expenses	84,554,040	87,379,225
Operating income	830,517	104,604
Nonoperating gains (losses)		
Income from investments	499,879	422,451
Unrestricted gifts	2,161	364,023
Net realized and unrealized gains on investments	3,326,576	1,003,053
Community benefit expense	(520,926)	(156,157)
Donation expense	-	(338,459)
Investment management fees	(88,107)	(97,154)
Unrealized gain (loss) on interest rate swap	1,098,866	(282,584)
Loss on refinancing of debt	-	(102,963)
Total nonoperating gains, net	4,318,449	812,210
Excess of revenues and gains over expenses and losses	5,148,966	916,814
Net assets released from restriction used for capital acquisitions	-	338,459
Increase in unrestricted net assets	$ 5,148,966	$ 1,255,273

The accompanying notes are an integral part of these financial statements.

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Statements of Changes in Net Assets

Years Ended September 30, 2017 and 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2015	$ 45,936,048	$ 572,303	$ 1,706,261	$ 48,214,612
Excess of revenues over expenses and increase in unrestricted net assets	916,814	-	-	916,814
Contributions	-	207,168	987	208,155
Net realized and unrealized gains on investments	-	44,880	115,735	160,615
Investment income (loss), net	-	32,568	(830)	31,738
Net assets released from restriction and used for capital acquisition	338,459	(338,459)	-	-
Net assets released from restriction for operations	-	(59,084)	-	(59,084)
Increase (decrease) in net assets	1,255,273	(112,927)	115,892	1,258,238
Balances, September 30, 2016	47,191,321	459,376	1,822,153	49,472,850
Excess of revenues over expenses and increase in unrestricted net assets	5,148,966	-	-	5,148,966
Contributions	-	201,046	950	201,996
Net realized and unrealized gains on investments	-	44,231	172,776	217,007
Investment income (loss), net	-	33,212	(574)	32,638
Net assets released from restriction for operations	-	(123,748)	-	(123,748)
Increase in net assets	5,148,966	154,741	173,152	5,476,859
Balances, September 30, 2017	$ 52,340,287	$ 614,117	$ 1,995,305	$ 54,949,709

The accompanying notes are an integral part of these financial statements.

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE)

Statements of Cash Flows

Years Ended September 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 5,476,859	$ 1,258,238
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	4,447,206	4,097,253
Depreciation	4,848,787	5,242,670
Loss on sale of property and equipment	103,512	54,119
Loss on refinancing of debt	-	102,963
Net realized and unrealized gains on investments	(3,543,583)	(1,163,668)
Unrealized (gain) loss on interest rate swap	(1,098,866)	282,584
(Increase) decrease in assets		
Patients accounts receivable	(4,176,213)	(4,043,026)
Supplies	(240,966)	43,769
Prepaid expenses and other current assets	171,550	824,649
Due from related party	(147,838)	-
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	(801,780)	(611,268)
Accrued salaries, wages and related accounts	(227,625)	588,847
Other current liabilities	283,128	(103,331)
Due to third-party payors	1,400,302	515,878
Reserve for self-funded health insurance	(120,000)	(96,059)
Due from related party	43,714	-
Deferred compensation	689,916	438,170
Net cash provided by operating activities	7,108,103	7,431,788
Cash flows from investing activities		
Purchases of investments	(3,718,954)	(8,065,040)
Proceeds from sale of investments	52,200	7,865,210
Purchases of property and equipment	(1,661,211)	(5,413,800)
Proceeds from sale of property and equipment	-	49,281
Net cash used by investing activities	(5,327,965)	(5,564,349)
Cash flows from financing activities		
Payments on long-term debt	(2,455,412)	(2,294,107)
Net cash used by financing activities	(2,455,412)	(2,294,107)
Net decrease in cash and cash equivalents	(675,274)	(426,668)
Cash and cash equivalents, beginning of year	7,804,645	8,231,313
Cash and cash equivalents, end of year	$ 7,129,371	$ 7,804,645
Supplemental disclosures of cash flow information		
Interest paid	$ 959,399	$ 895,728
Noncash investing and financing transactions		
Acquisition of equipment financed through capital lease	$ 327,191	$ 1,188,330
Refinance of Series 2007 bonds	$ -	$ 25,880,000

The accompanying notes are an integral part of these financial statements.

Organization

Littleton Hospital Association, Inc. (d/b/a Littleton Regional Healthcare) (Hospital) is a New Hampshire not-for-profit corporation which operates a community-oriented general hospital. Effective April 1, 2016, North Country Healthcare, Inc. (NCHI) became the sole corporate member of the Hospital. NCHI is also the parent company of Androscoggin Valley Hospital (AVH), Upper Connecticut Valley Hospital (UCVH), Weeks Medical Center (Weeks), and North Country Home Health & Hospice Agency, Inc. (NCHHHA). Any and all activity with these entities is disclosed as activity with affiliates.

1. Summary of Significant Accounting Policies

Basis of Presentation

The Hospital's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities.* Under FASB ASC 958, all not-for-profit organizations are required to provide a statement of financial position, a statement of operations, and a statement of cash flows. ASC 958 requires reporting amounts for the Hospital's total assets, liabilities, and net assets in a balance sheet; reporting the change in the Hospital's net assets in a statement of operations; and reporting the change in its cash and cash equivalents in a statement of cash flows.

ASC 958 also requires net assets and its revenues, expenses, gains, and losses be classified based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a balance sheet and that the amounts of change in each of those classes of net assets be displayed in a statement of operations.

Reporting Entity

The 2016 statements of operations, change in net assets, and cash flows include the balances of the Hospital's former subsidiary, Littleton Regional Hospital Charitable Foundation (Foundation), which raised funds primarily for the benefit of the Hospital through its dissolution in July 2016. Upon dissolution of the Foundation, all net assets were transferred to the Hospital. All significant intercompany balances and transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds with a maturity of three months or less when purchased. Cash and cash equivalents exclude assets whose use is limited by the Board of Trustees. The Hospital maintains its cash in deposit accounts which, at times, may exceed federal depository insurance limits. Management believes credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts of the allowance for doubtful accounts and the provision for bad debts. The adequacy of the allowance for doubtful accounts is regularly reviewed. For receivables associated with services provided to patients who have third-party coverage, an allowance for doubtful accounts and a provision for bad debts are established at varying levels based on the age and payor source of the receivable. For receivables associated with self-pay patients, the Hospital records a provision for bad debts in the period of service based on past experience indicating the inability or unwillingness to pay amounts for which they are financially responsible.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Investments and Investment Income

Investments in equity securities with readily-determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Values of investments in limited partnerships or companies are based on the net asset values (NAV) per share of the respective funds as reported in the financial statements of the related interest and provided by the investment manager. Management reviews and evaluates the valuations provided by the investment managers and believes these valuations are a reasonable estimate of value at September 30, 2017 and 2016, but are subject to uncertainty and, therefore may differ from the value that would have been used had a ready market for the investments existed.

Management has adopted ASC 825-10-35-4 and has elected the fair value option relative to its investments, which consolidates all investment performance activity within the nonoperating gains (losses) section of the statements of operations.

Donor-restricted investment income and gains (losses) on investments on donor-restricted investments are recorded within their respective net asset category until expended in accordance with the donor's restrictions.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Consequently, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets and statements of operations and changes in net assets.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets, such as land, buildings or equipment, are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Employee Fringe Benefits

The Hospital has an "earned time" plan to provide certain fringe benefits for its employees. Under this plan, each employee "earns" paid leave each payroll period. Accumulated hours may be used for vacations, holidays or illnesses. Hours earned, but not used, vest with the employees up to established limits. The Hospital accrues the cost of these benefits as they are earned.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap is not considered a cash flow hedge and, therefore, is included within nonoperating gains (losses).

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in net assets as either net assets released from restrictions used for operations or net assets released from restrictions used for capital acquisition.

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

Nonoperating Gains (Losses)

Activities other than those in connection with providing healthcare services are considered to be nonoperating. Nonoperating gains and losses consist primarily of income and gains and losses on invested funds, unrestricted gifts, community benefit expense, and unrealized gain (loss) on interest rate swap.

Excess (Deficiency) of Revenues and Gains Over Expenses and Losses

The statements of operations include excess (deficiency) of revenues and gains over expenses and losses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues and gains over expenses and losses, consistent with industry practice, include net assets released from restrictions used for capital acquisition and net asset transfers.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively-determined rates per discharge, reimbursed costs, discounted charges and per diem rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenue.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Hospital has considered transactions or events occurring through December 12, 2017, which was the date the financial statements were issued.

2. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

Net patient service revenue is reported net of contractual allowances and other discounts as follows for the years ended September 30:

	2017	2016
Gross patient service revenue		
Routine services	$ 5,478,152	$ 5,382,802
Ancillary services	157,050,351	157,184,379
	162,528,503	162,567,181
Less contractuals and discounts	76,639,447	74,323,680
Patient service revenue (net of contractual allowances and discounts)	85,889,056	88,243,501
Less provision for bad debts	4,447,206	4,097,253
Net patient service revenue	$ 81,441,850	$ 84,146,248

Patient Accounts Receivable

Patient accounts receivable are stated net of estimated contractual allowances and allowance for bad debts as follows as of September 30:

	2017	2016
Patient accounts receivable	$ 19,345,446	$ 18,632,739
Less estimated contractual allowances	7,515,700	7,101,000
Less estimated allowance for bad debts	3,223,000	2,654,000
Patient accounts receivable, net	$ 8,606,746	$ 8,877,739

During 2017, the Hospital increased its estimate from approximately $1,472,000 to approximately $1,933,000 in the allowance for doubtful accounts relating to self-pay patients. During 2017, self-pay write-offs increased from approximately $5,023,000 to approximately $5,222,000. Such increases are the result of higher-deductible health insurance plans.

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatient and most outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final determination after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2013.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively-determined per-discharge rates. The prospectively-determined per-discharge rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid beneficiaries are reimbursed on a combination of prospectively-determined fee schedules and a cost reimbursement methodology. The Hospital is reimbursed for outpatient services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2013.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed based on standard charges, less a negotiated discount, except for lab and radiology services which are reimbursed on fee schedules.

Revenue from the Medicare and Medicaid programs accounted for approximately 32% and 15%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2017, and 33% and 15%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2016. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately $131,570 in 2017 and increased by approximately $570,000 in 2016, respectively, due to changes in estimates and differences in retroactive adjustments compared to amounts previously estimated.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively-determined rates, discount from charges and prospectively-determined daily rates.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized in the period from these major payor sources are as follows:

	2017	2016
Total all payors		
Third-party payors	$ 81,135,131	$ 83,829,208
Self-pay	4,753,925	4,414,293
Patient service revenue (net of contractual allowances and discounts)	$ 85,889,056	$ 88,243,501

Disproportionate Share Payments

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover the costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's plan for the distribution of DSH monies to its hospitals has not yet been approved by the Centers for Medicare and Medicaid Services (CMS). Therefore, amounts recorded by the Hospital are subject to change. Included within contractual allowances in patient service revenue (net of contractual allowances and discounts) in the statements of operations is approximately $3,442,000 for the years ended September 30, 2017 and 2016.

3. Community Benefit

The Hospital provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Patients deemed as not meeting criteria for the New Hampshire Health Access Network will then be considered for the Hospital's Charity Care program. The individual must be deemed ineligible for Medicaid and the Buffington Fund (Lisbon residents only) to be considered for the program.

Charity Care will be granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines as follows:

- Up to 200% of federal poverty guidelines will receive 100% charity care;
- 201%-225% of federal poverty guidelines will receive 75% charity care;
- 226%-275% of federal poverty guidelines will receive 50% charity care; and
- 276%-300% of federal poverty guidelines will receive 25% charity care.

The net cost of charity care provided was approximately $509,000 in 2017 and $444,000 in 2016. The total cost estimate is based on an overall financial statement cost to charge ratio applied against gross charity care charges. In 2017 and 2016, 0.60% and 0.51%, respectively, of all services as defined by percentage of gross revenue was provided on a charity basis.

In 2017, of a total of 1,534 inpatients, 4 received their entire episode of service on a charity basis and 57 received partial subsidy. In 2016, of a total of 1,585 inpatients, 31 received full charity and 15 received partial subsidy.

4. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

	2017	2016
Land	$ 786,809	$ 786,809
Land improvements	3,740,303	3,606,385
Buildings	42,230,466	42,178,221
Fixed equipment	14,736,422	14,629,691
Major moveable equipment	32,124,039	31,315,016
	93,618,039	92,516,122
Less accumulated depreciation and amortization	55,428,034	51,117,518
	38,190,005	41,398,604
Construction-in-progress	377,552	132,850
	$ 38,567,557	$ 41,531,454

5. Assets Limited as to Use

Assets limited as to use consisted of the following as of September 30:

	2017	2016
Board-designated for capital acquisition and operations	$ 37,911,338	$ 31,750,246
Deferred compensation	2,626,634	1,936,718
Temporarily restricted	553,629	367,452
Permanently restricted	1,995,305	1,822,153
Total	43,086,906	35,876,569

The composition of assets limited as to use consisted of the following at September 30:

	2017	2016
Cash and cash equivalents	$ 187,959	$ 149,135
Fixed income	4,274,197	3,557,615
Mutual funds	27,133,142	21,448,064
Other investments	11,491,608	10,721,755
Total	$ 43,086,906	$ 35,876,569

Net realized losses on the sale of assets limited as to use for the year ended September 30, 2017 and 2016 amounted to $454 and $362,920, respectively.

Changes in endowment (donor-restricted) net assets for the year ended September 30, 2017 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 246,154	$ 1,822,153	$ 2,068,307
Investment return			
Investment income (loss), net of fees	23,347	(574)	22,773
Realized losses on investments	(571)	(9,100)	(9,671)
Unrealized gains on investments	26,354	181,876	208,230
Total investment return, net	49,130	172,202	221,332
Contributions	-	950	950
Appropriation of endowment assets for expenditure	(4,229)	-	(4,229)
Endowment net assets, end of year	$ 291,055	$ 1,995,305	$ 2,286,360

Changes in endowment (donor restricted) net assets for the year ended September 30, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 221,534	$ 1,661,198	$ 1,882,732
Investment return			
Investment income (loss), net of fees	3,332	(830)	2,502
Realized losses on investments	(1,854)	(6,764)	(8,618)
Unrealized gains on investments	13,044	122,499	135,543
Total investment return, net	14,522	114,905	129,427
Contributions	21,892	46,050	67,942
Appropriation of endowment assets for expenditure	(11,794)	-	(11,794)
Endowment net assets, end of year	$ 246,154	$ 1,822,153	$ 2,068,307

Interpretation of Relevant Law

The Hospital has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA), such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund, as is prudent. In so doing, the Board must consider the long-term and short-term needs of the Hospital in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. The Board retains all of the appreciation in its permanently restricted net assets.

Strategies Employed for Achieving Objectives

In managing its diversified portfolio, the Hospital measures the performance of its investment portfolio's components against the appropriate market benchmark. The investment objective for the portfolio is to achieve the highest long-term total return on assets that is consistent with prudent investment practices. Over the long term, good investment performance should maintain or enhance the purchasing power of the portfolio's assets. A secondary objective is to achieve an annualized return that meets or exceeds a Policy Index that is comprised of reasonable market benchmarks in a weighting that is consistent with the target asset allocation as approved by the Hospital.

The portfolio assets have a long-term, indefinite time horizon with relatively low liquidity needs. As such, the Fund may take advantage of less liquid investments and assume a time horizon that extends well beyond a normal market cycle. It is expected, however, that sufficient portfolio diversification will smooth volatility and help to assure a reasonable consistency of return. The portfolio will be managed on a total return basis.

6. Borrowings

Long-term debt consisted of the following as of September 30:

	2017	2016
Series 2015A fixed-rate bonds, payable in monthly principal and interest installments of $25,201 through September 2038; interest rate of 2.39%; collateralized by substantially all Hospital assets and gross receipts (see interest rate swap agreement disclosure).	**4,984,493**	5,166,745
Series 2015B variable-rate bonds, payable in monthly installments of $77,001 through September 2038; interest rate of 69.75% of one-month Libor plus 0.73% (1.62% at September 30, 2017); collateralized by substantially all Hospital assets and gross receipts	**19,597,572**	20,209,177
2.97% note payable to a bank, due in variable monthly installments including interest, through April 2023; collateralized by substantially all Hospital assets.	**1,685,780**	1,959,321
Various capital leases, payable in 60 monthly principal payments ranging from $5,272 to $8,683 including interest rates varying from 2.84% to 8.49%; and maturing between April 2018 and July 2023 collateralized by specific assets acquired under capital leases.	**319,934**	1,389,639
Total long-term debt, before unamortized premiums and deferred issuance costs	**26,587,779**	28,724,882
Unamortized deferred issuance costs	**(186,535)**	(195,417)
Total long-term debt	**26,401,244**	28,529,465
Less current portion	**1,138,865**	1,810,031
Long-term debt, excluding current portion	**$ 25,262,379**	$ 26,719,434

The Series 2015 bonds require the Hospital to meet certain covenants. As of September 30, 2017 the Hospital was in compliance with the covenants.

On October 1, 2015, the Hospital refinanced the remaining principal on its Series 2007 bonds and related bond issuance costs through the issuance of $5,331,100 Series 2015A bonds and $20,753,200 Series 2015B bonds in conjunction with the New Hampshire Health and Education Facilities Authority. In conjunction with the refinance, the Hospital recognized a loss on early refinancing of debt of $102,963.

Annual principal maturities on long-term debt, including capital leases, for fiscal years subsequent to September 30, 2017 are as follows:

	Bonds and Notes Payable	Capital Lease Obligations
2018	$ 1,075,632	$ 86,531
2019	1,084,116	63,267
2020	1,092,855	63,267
2021	1,101,857	63,267
2022	1,111,130	63,267
Thereafter	20,802,255	59,701
	$ 26,267,845	399,300
Less amount representing interest under capital leases obligations		(79,366)
		$ 319,934

Interest on long-term debt, excluding letter-of-credit fees, was $916,368 and $894,423 for the years ended September 30, 2017 and 2016, respectively.

Interest Rate Swap

In connection with the issuance of the Series 2015B bonds, the Hospital entered into an interest rate swap agreement to hedge the associated interest rate risk. The swap notional amounts were $15,084,000 at September 30, 2017. The swap terminates on October 11, 2027. The interest rate swap agreement requires the Hospital to pay a fixed rate of 3.5625% in exchange for a variable rate of 69.75% of one-month LIBOR plus 0.73% due under the bonds.

The Hospital is required to include the fair value of the swap in the balance sheets, and annual changes, if any, in the fair value of the swap in the statements of operations. For example, during the holding period, the annually-calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date the swap was entered into and as an unrealized gain in the statements of operations), which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability [and as an unrealized gain (loss) in the statements of operations] if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which is intended to be zero at the maturity date of the swap agreement. The Hospital retains the sole right to terminate the swap agreements should the need arise. The Hospital recorded the swap at its liability position of $2,382,162 and $3,481,028 at September 30, 2017 and 2016, respectively.

7. Retirement Plans

The Organization sponsors a 403(b) retirement plan for its employees. To be eligible to participate in the 403(b) plan, an employee must meet certain requirements as specified in the Plan documents. The Organization contributes 3% of each eligible participant's base salary and then matches up to an additional 2% of base salary, subject to the participant's contribution level. During 2017, the Organization eliminated the discretionary match.

The amount charged to expense for the 403(b) plan totaled $664,644 and $1,321,298 for 2017 and 2016, respectively.

In addition, the Hospital maintains a 457(b) deferred compensation plan for certain employees. An asset and a liability of $2,626,634 and $1,936,718, respectively, have been recorded related to this plan for 2017 and 2016.

8. Commitments and Contingencies

Professional Liability Insurance

The Organization maintains medical malpractice insurance coverage on a claims-made basis. The Organization is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Organization has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary for the year ended September 30, 2017. The Organization intends to renew coverage on a claims-made basis and anticipates that such coverage will be available in future periods.

Self-Funded Health Insurance

The Organization sponsors a health insurance plan for its employees. The plan is primarily self-insured; however, the Organization maintains a reinsurance policy for coverage of annual claims in excess of certain thresholds. At September 30, 2017 and 2016, the Organization has accrued estimated costs on incurred but not reported claims of approximately $396,000 and $516,000, respectively, which are included in accrued salaries, wages and related accounts.

Operating Leases

The Hospital as lessee has various non-cancelable leases for office space, all of which are classified as operating leases. Lease expense was $548,611 and $652,101 for the years ended September 30, 2017 and 2016, respectively. Future minimum lease payments are as follows for years ending September 30:

2018	$ 548,526
2019	550,955
2020	514,477
2021	515,885
2022	517,335
Total future minimum lease payments	$ 2,647,178

Professional Services Agreement

The Hospital entered into a professional services, medical direction and management agreement (Agreement) with The Alpine Clinic, LLC (Alpine) in March 2012. Alpine is a private physician practice group with clinical sites in five towns in northern New Hampshire providing orthopedic care, clinical services and related physical therapy, radiology and magnetic resonance imaging services to patients in this region. The initial term of the Agreement will be in effect for a period of three years. There are provisions under the Agreement for early termination, subject to agreement between the two parties.

Under the terms of the Agreement, the Hospital has agreed to sub-lease Alpine's offices, furniture and equipment. The Hospital has agreed to engage Alpine to provide the professional orthopedic and physical therapy services through the physicians, nurse practitioners, physician assistants, and licensed physical therapists employed by Alpine. Alpine has agreed to engage the radiology and magnetic resonance imaging technicians employed by the Hospital to provide the technical services in connection with imaging services to Hospital patients at the Alpine offices. The Hospital has also agreed to engage Alpine to provide the services of all administrative and support staff as is necessary and desirable for the effective and efficient delivery of the orthopedic, physical therapy and imaging services.

Alpine has agreed that its sole compensation under this Agreement will be the fees set forth in the Agreement and that all payments from patients, third-party payors or otherwise for Alpine professional services furnished by the providers to Hospital patients will belong to the Hospital. The fees under the Agreement include an annual base fee, to be paid monthly, and a productivity fee which is to be paid within 30 days following the end of each year of the Agreement. The methodology used to calculate the base fee and productivity fee is specifically defined in the Agreement.

The fees paid to Alpine during the year ended September 30, 2017 and 2016 were $2,881,591 and $2,874,862, respectively, of which $177,497 is included in prepaid expenses and other current assets at September 30, 2017 and 2016.

Capital Lease Maintenance Agreement

During 2012, the Organization entered into a capital lease to finance the purchase of a new MRI scanner. The capital lease calls for monthly payments of $36,617 of which $28,175 is applied toward principal payments on the lease and $8,442 is for maintenance of the equipment. Total maintenance expense related to the capital lease in 2017 and 2016 was $114,687 and $101,307, respectively. The maintenance fee commitment expired at the conclusion of the lease agreement in June 2017.

Payments in Lieu of Taxes

The Hospital entered into an agreement with the Town of Littleton that calls for annual payments in lieu of tax through 2026 of $75,000 per year adjusted annually by the consumer price index. For the years ended September 30, 2017 and 2016 the amount of tax paid was $75,000 and $75,748, respectively.

9. Physician Practices

During 2017 and 2016, the Hospital operated several physician practices. As of September 30, 2017 and 2016, the Hospital recognized net practice operations as follows:

	2017	2016
Net practice revenue	$ 15,333,071	$ 16,211,646
Direct expenses	20,424,666	22,664,969
Net loss (not including indirect expenses)	$ (5,091,595)	$ (6,453,323)

10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of September 30:

	2017	2016
Construction fund	$ 3,266	$ 22,261
Indigent care	127,173	111,279
Health education	7,037	7,273
Pastoral care	9,076	8,156
Veterans transportation	1,793	1,612
Volunteer services	54,026	46,176
Other health-related services	411,746	262,619
	$ 614,117	$ 459,376

Permanently restricted net assets are restricted to the following as of September 30:

	2017	2016
Investments to be held in perpetuity, the income from which is expendable to support healthcare services	$ 1,995,305	$ 1,822,153

11. Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location. Expenses related to providing these services are as follows:

	2017	2016
Healthcare services	$ 64,622,667	$ 67,840,729
General and administrative	19,931,373	19,538,496
	$ 84,554,040	$ 87,379,225

12. Concentration of Credit Risk

Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables for patients and third-party payors at September 30, 2017 and 2016 was as follows:

	2017	2016
Medicare	24 %	26 %
Medicaid	13	12
Anthem	11	12
Other third-party payors	30	29
Patient	22	21
	100 %	100 %

Investments

A significant concentration of investments are invested in alternative investment funds. As of September 30, 2017 and 2016, the amounts totaled $11,491,608 and $10,721,755, respectively.

13. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value and net asset value on a recurring basis are summarized below:

	Fair Value Measurements at September 30, 2017		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Cash and cash equivalents	$ 187,959	$ 187,959	$ -
Fixed income	1,647,563	-	1,647,563
Mutual funds			
Index funds	22,595,790	22,595,790	-
Bond funds	4,537,352	4,537,352	-
Total mutual funds	27,133,142	27,133,142	-
Assets to fund deferred compensation			
Fixed income	2,626,634	2,626,634	-
Total assets at fair value	31,595,298	$ 29,759,776	$ 1,647,563
Investments measured at net asset value	11,491,608		
Total assets	$ 43,086,906		
Liabilities			
Interest rate swap	$ 2,382,162	$ -	$ 2,382,162
Total liabilities	$ 2,382,162	$ -	$ 2,382,162

	Fair Value Measurements at September 30, 2016		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Cash and cash equivalents	$ 149,135	$ 149,135	$ -
Fixed income	1,620,897	-	1,620,897
Marketable equity securities			
Index funds	18,372,765	18,372,765	-
Bond funds	3,075,299	3,075,299	-
Total mutual funds	21,448,064	21,448,064	-
Assets to fund deferred compensation			
Fixed income	1,936,718	1,936,718	-
Total assets at fair value	25,154,814	$ 23,384,782	$ 1,620,897
Investments measured at net asset value	10,721,755		
Total assets	$ 35,876,569		
Liabilities			
Interest rate swap	$ 3,481,028	$ -	$ 3,481,028
Total liabilities	$ 3,481,028	$ -	$ 3,481,028

Inputs other than quoted prices that are observable are used to value the interest rate swap. The Hospital considers these inputs to be Level 2.

The fair value of Level 2 assets has been measured using quoted market prices of similar assets and the fair value market approach, as determined by comparable sales data beginning on the date of acquisition.

The following table sets forth a summary of the Hospital's investments valued using a reported NAV at September 30, 2017:

	Fair Value Estimated Using NAV Per Share at September 30				
Investment	2017	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period	2016
The Tap Fund, LTD	$ 615,415	Monthly	N/A	15 days	$ 590,825
Nyes Ledge Capital Offshore Fund, LTD	4,944,775	Annually	Annually on 12/31	90 days	4,534,719
Drake Capital Offshore Partners, LP	4,867,074	Semi-Annually	Reds: annual on 12/31 with 25% liquidity on 6/30	90 days	4,429,991
AEW Global Property Securities Fund, LP	-	Monthly	N/A	15 days	1,014,623
Seaport Global Property Securities, LP	954,114	Monthly	N/A	15 days	-
Hatteras Core Alternatives TEI Fund, LP	110,230	Quarterly	Each quarter Hatteras allows up to 5% of the fund to be redeemed; if clients redemption requests are greater than 5% of the fund, each investor will be paid out a pro-rata portion of their redemption request	75 days	151,597
	$ 11,491,608				$ 10,721,755

The Hospital's financial instruments consist of cash and cash equivalents, bonds payable, note payable and capital leases approximates their fair value using Level 1 inputs. The fair values of investments and the interest rate swap were determined using the methods and inputs described in the first section of this note.

The Hospital will be subject to a 5% redemption fee should it withdraw funds from the Hatteras Multi-Strategy TEI Institutional Fund, LP (Hatteras Fund) fund prior to July 1, 2012. After July 1, 2012, there is no redemption fee and quarterly withdrawals are allowed. The Hatteras Fund balance is included in other investments and is classified as an investment measured at net asset value in the table above.

14. Medicaid Enhancement Tax

In New Hampshire, hospitals are subject to a 5.4% tax, the Medicaid Enhancement Tax (MET), on net taxable revenues. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by CMS. A number of hospitals in New Hampshire filed a lawsuit relative to the results of the 2011 audit of these DSH payments and the court ruled in favor of the hospitals in March 2016. CMS has appealed the ruling and, until such time as the final ruling is made on the appeal, the Hospital has not changed its position with respect to the amounts recorded in its financial statements. Should the court's ruling stand, the Hospital will adjust the amounts held in contingency in the year the ruling is upheld.

15. Meaningful Use Revenues

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. During 2017 and 2016, the Hospital attested to Stage 1 meaningful-use certification from CMS and recorded meaningful-use revenues of $6,834 and $83,748, respectively.

The meaningful-use attestation is subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by the Hospital.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to two remaining participation years. The New Hampshire program was launched in 2012. The Hospital did not record any meaningful-use revenue during 2017 or 2016.

In 2017 and 2016, the Hospital recognized $25,500 and $62,855, respectively, of Medicare EHR program revenues for its eligible physicians.

In 2017 and 2016, the Hospital attested to Stage 2 meaningful-use certification from CMS and recorded meaningful-use revenues of $88,058 and $110,600, respectively.

16. Related Party Transactions

As a member of NCHI, the Hospital shares in various services with the other member Hospitals and the parent. For the year ended September 30, 2017, the Hospital billed other member hospitals $846,573 and was billed $1,228,440 for shared services. At September 30, 2017 $147,838 was due from and $43,714 was due to the member Hospitals and the parent.

Expenses incurred for shared services for the year ended September 30, 2017 by member are as follows:

UCVH	$ 2,718
Weeks	42,942
AVH	63,122
NCHI	1,119,658
Total	$ 1,228,440

2018 BOARD OF TRUSTEES

FIRST NAME	LAST NAME	Position
William	Bedor	Chair
Roger	Gingue	Vice Chair
Jeff	Woodward	Treasurer
Erin	Hennessey	Secretary
Ned	Brewer	
Fred	Chisolm	
Ashley	Garrison	
Dr. Stephen	Goldberg	
Elizabeth	Kunz	
Laurie	Morgan	Auxilary Representative
Dr. Deane	Rankin	
Ed	Shanshala II	
Paul	Smith	
Dr. Edward	Duffy	Ex-Officio, NCH Interim CEO
Dr. Patrick	Fitzpatrick	Ex-Officio, Chief of Medical Staff
Dr. John	Sauter	Ex-Officio, Emeritus
Robert	Nutter	Ex-Officio, LRH President

Jarrett E. Stern, MHA [redacted]

Professional Experience

Executive – Special Projects - 2017 to Present

NORTH COUNTRY HEALTHCARE: Whitefield, NH

Chief Executive Officer—2013 to 2017

UNIVERSITY ORTHOPAEDICS, PC ("UOPC")—Main Campus: Hawthorne, NY

Recruited to improve quality and provide executive leadership to multi-site academic orthopaedic practice. UOPC has 15 full time surgeons, radiology and physical therapy. With offices in both New York and Connecticut, UOPC provides expertise in all orthopaedic subspecialties in adults and pediatrics. Responsible for management of six locations, 50+ employees, and annual revenues of $15 million.

- Oversee administration of all site locations. Assume full responsibility for strategic planning, development, operations, sales and marketing, customer service, human resources, regulatory and compliance and P & L performance.
- Re-directed operations to increase profit growth in order to streamline procedures and implement measures to reduce costs. Reduced overhead and administrative expenses by 14%.
- Adopted technological resources to convert from paper to electronic systems to accommodate ICD-10 conversion, which improved records, files, and document retention, and streamlined practice management to comply with Meaningful Use requirements.
- Established Executive Governance Board; provide leadership to managers, directors and staff that will enroll support, create ownership of goals, and encourage active participate in decisions that impact the practice.
- Completely upgraded all IT hardware and software systems from the traditional PC model to thin client and cloud based systems.
- Charged with bringing practice into compliance with government regulations. Performed multiple mock RAC audits/education sessions to improve compliance with CMS guidelines.
- Actively and successfully explored new business opportunities to expand growth resulting in partnership with physiatry and physical therapy practices, commencing March 2015.
- Successfully negotiated and signed contracts, including managed care arrangements to improve reimbursements and patient volume.
- Strengthened referral base which includes private patients, corrections, governmental payors and others, resulting in increased new patient visits and a solid reputation in the area and healthcare community. Annual patient visits currently exceed 38,000.

- Renegotiated and upgraded health, dental, life, disability, and 401(k) plans for all employees, increasing quality of benefits provided while lowering overall costs.
- Revised supply chain process including vendor replacement and JIT ordering to create cash flow savings, minimize loss and stock outs and effectively utilize available space.

Chief Operating Officer—2013

ORTHOPEDICS AND NEUROSURGERY SPECIALISTS, PC—Greenwich, CT

Recruited to lead all aspects of business management and financial operations. This multi-location practice has 21 full time physicians, MRI, physical therapy, conventional imaging, 140 FTE and partnership in an ambulatory surgery center. Gross annual revenue exceeds $40 million derived from approximately 40,000 patient visits.

- Developed formal inventory system with dedicated storage locations and par levels; implemented IOS software to track materials with a link to Quick Books for efficient and accurate accounting.
- Increased MRI volume 10% resulting in added revenue.
- Restructured administrative and clinical staffs to more efficiently utilize existing talent; recruited and hired Chief Financial Officer and Nursing Director.
- Increased physical therapy capacity creating 5% additional throughput.
- Initiated managed care contract negotiations with Blue Cross and Harvard/Pilgrim Health; projected to increase patient volume by approximately 10% per annum.
- Led $800,000 renovation to modernize existing real estate and install infrastructure needed for all IT and telephone system upgrades.
- Reorganized executive management structure to optimize clinical and administrative processes; appointed Medical Directors for radiology/MRI and physical therapy to oversee day-to-day accountabilities.
- Negotiated and contracted all practice insurance policies including: Property and Casualty, Directors and Officers, Workers Compensation, Employee Health Insurance, Umbrella Policy and Employee Benefits.
- Defined strategy and led task force for ICD-10 conversion and Meaningful Use Stage 2.

Vice President, Perioperative Services and Orthopedics—2009 to 2013

Perioperative Services, Central Sterile Processing, Department of Anesthesiology, Endoscopy Unit, Department of Orthopedics, Department of Surgery, Department of Otolaryngology, Head and Neck Surgery and Audiology

WESTCHESTER MEDICAL CENTER – Valhalla, NY

Responsible for all business, operational and regulatory requirements including supervision of 400 full-time employees, 26 Operating rooms, 4 Endoscopy suites and 2 Procedure rooms. Managed operating budget in excess of $80 million covering 15 cost centers with over $398 million of annual charges.

- Led negotiation for contracts relating to total joint, spine, trauma, LVADs, and all cardiothoracic implants resulting in an annualized savings of over 20%. Spearheaded build-out of additional pediatric operating room accommodating an additional 780 cases; led construction of two additional PACU bays and managed the complete renovation of 13 operating rooms including the addition of a hybrid room. Upgraded McKesson Operating Room Information System to maximize capabilities and interface with CSPD information system; upgraded Abacus CSPD information system to accommodate and

incorporate bar code technology and increased throughput capacity via installation of a four chamber tunnel washer.

- Led integration of The Pyxis Profile System and Med-Station, an automated pharmaceutical supply management system expediting and securing the distribution of medication while streamlining costs associated with charge materials within perioperative areas.
- Implemented *Life Wings* program to boost patient safety, reduce medical errors and lower malpractice costs bringing about increased employee satisfaction and reduced nurse turnover.
- Expanded and enhanced Robotic Surgery Program resulting in increased usage by over 200% across three service lines. Initiated the procurement and implementation of the Advisory Board Surgical Compass System to verify and benchmark perioperative data captured in the Operating Room Information System.
- Medical Center leadership and academic roles: Chairman of Laser Safety Committee, Chairman of Value Analysis Committee, Co-Chair of Operating Room Committee, Trainer – LifeWings Program.
- Additional committee memberships: Medical Operations, Medical Executive, MRI Safety, Pain and Palliative Care, Capital Purchasing, Space Allocation, Joint Committee Readiness, Disaster Planning, OR Block Utilization.
- Successfully completed surveys for JCAHO, NYSDOH, ACGME and UNOS. Obtained Center of Excellence awards for bariatric and spine surgery.
- Revised surgical block schedule to maximize utilization and decrease labor expense.
- Led hospital negotiations and contract compliance for outsourced anesthesiology contract including all financial, operational and regulatory issues.
- Collaborate with Chairmen to oversee residency programs in Anesthesiology and Orthopedics.

Senior Director, Perioperative Services—2006 to 2009

Perioperative Services, Department of Anesthesiology, Endoscopy Unit, Emergency Department and Department of Urology

SAINT VINCENT'S CATHOLIC MEDICAL CENTER—NEW YORK, N.Y.

Recruited to drive business and operational initiatives of the perioperative patient care delivery system, to maximize productivity and contain expenses while supporting quality, safety and physician satisfaction. Managed an operating budget of $45 million for a total of 11 cost centers, 18 operating rooms and supervised 225 full-time employees. Responsible for all regulatory compliance.

- Directed the development and installation of GE Centricity Operating Room Information System.
- Responsible for build-out of the Philips Allura FD20 Surgical Navigation Suite; obtained Certificate of Need, secured financing, negotiated contracts and oversee construction.
- Streamlined operating room materials and inventory management costs resulting in over $1million in savings.
- Formulated and launched a monthly management program with NYSNA (Nursing Union) to improve communication and enhance productivity for union nurses.
- Managed design and construction of Endoscopic Ultrasound suite, negotiated equipment purchase and oversaw staff acquisition for newly created Pancreatic Center.
- Championed weekly management educational sessions and developed progressive training around the business of medicine to teach basic management skills to newly appointed clinical managers.
- Leadership roles: Co-Chair of the Capital Committee, Co-Chair of the Transportation Committee, Emergency Preparedness Coordinator responsible for hospital disaster planning.

- Managed all aspects of construction for 2 complete operating rooms dedicated to spine and neurosurgical patients.
- Revised surgical blocks in collaboration with clinical Chairman to maximize resources and accommodate growth.
- Analyzed and improved operating room first case starts and turnover times via daily tracking and reporting.
- Coordinated with Chairman to oversee all research and IRB approvals.
- Successfully completed JCAHO, DOH and ACGME surveys.

Director, Business and Clinical Affairs—2002 to 2006

Department of Otorhinolaryngology, Head and Neck Surgery, Audiology and Speech Therapy

MONTEFIORE MEDICAL CENTER—BRONX, N.Y.

Responsible for all financial, operational and regulatory aspects of department for 40 full-time employees, 10 attending and 29 voluntary physicians. Managed an annual operating budget of over $4 million encompassing 38,000 patient visits.

- Increased department revenue by 36% in three years.
- Directed and managed ACGME accredited Residency program with a total of 20 residents.
- Administered NIH grant budgets of $1.5 million titled "Reducing Surgical Errors".
- Optimized department workflow, documentation procedures and adherence to safety guidelines resulting in a successful JCAHO survey in 2003.
- Revised all billing, collections and physician accountability for professional revenue cycle.

Administrator – 1999 to 2002

The Spine Institute

BETH ISRAEL MEDICAL CENTER—NEW YORK, N.Y.

Responsible for day-to-day business management, regulatory compliance and oversight of all aspects of orthopedic surgery and physiatrist practices.

- Increased annual revenue by 177% from $4.8 million in 1998 to $8.5 million in 2001; increased physicians on staff from five to seven within one year; expanded Spine Institute reach into Westchester County and increased patient referral base.
- Successfully completed JCAHO surveys in 1999 and 2002.
- Developed and launched commercial marketing campaign supported by local cable channels to increase awareness of services offered within the Spine Institute.
- Led the establishment of, and successfully obtained the grants for, the Spine Surgery Research Program.
- Maximized revenue potential through expansion of GME program through billing of Fellow's services.
- Created weekly billing and collections accountability meetings with physicians and billing staff.

Administrator—1996 to 1998

Rehabilitation and Fitness Pavilion

LONG BEACH MEDICAL CENTER – LONG BEACH, N.Y.

- Directed merger implementation and integration of private physical therapy practice with community medical center (250 beds). Developed budget and assisted in development of 10,000 square foot ambulatory facility.
- Reduced $1.5 million accounts receivable to $400,000 within 18 months by restructuring the billing and collection operation with an outsourced vendor.
- Led cost savings initiative and operational streamlining for medical practice generating $1.5 million (gross) per year.
- Responsible for all third-party payer negotiations.
- Assumed all regulatory and compliance oversight for clinical freestanding facility.

Territory Coordinator—1995 to 1996

Provider Relations

US HEALTHCARE—UNIONDALE, N.Y.

- Managed all aspects of designated primary and specialist physician relations with managed care company.
- Responsible for all physician recruitment and retention within geographical territory.

Education

Master of Healthcare Administration, Management and Finance • Cornell University, Ithaca, NY—1995

Bachelor of Arts, Psychology • Yale University, New Haven, CT—1993
-Varsity Football Letterman

Academic Appointments

Assistant Professor, Department of Anesthesiology, New York Medical College, Valhalla, NY

Professional Affiliations

Member, American College of Healthcare Executives
Healthcare Leadership Academy—Healthcare Advisory Board, Washington, DC
Member, Medical Group Management Association
Federal Emergency Management Agency—IS 100, 200, 700, and 800 completed
Member, National Surgical Advisory Committee—MedAssets

Rona Glines

Experience

1994-Present Weeks Medical Center Lancaster, NH

Vice President of Physician and Administrative Services

- Responsible for Physician Services, Case Management, Health Information Management and Admitting/Communications.
- Integrated the functions of physician offices and other departments within the organization.
- Responsible for implementation of clinical and financial computer applications for the physician offices and Health Information Management.
- Responsible for implementing an enterprise-wide Department of Case Management.

1985–1994 Weeks Memorial Hospital Lancaster, NH

Patient Accounts Manager/Assistant Director of Fiscal Services

- Responsible for the day-to-day operation of the patient accounting department.
- Ensured adequate cash flow to meet organizational needs.
- Responsible for implementation and upgrade of computerized financial system.
- Assisted managers with completion of departmental budgets.

1980-1985 M&R Glines Auctions Lancaster, NH

Auctioneer/Appraiser

- Responsible for business management functions.
- Set-up and conducted auction sales.
- Performed estate and insurance appraisals for clients.

Education

1985 Plymouth State University Plymouth, NH

- B.S., Business Administration and Computer Science.
- Graduated Summa Cum Laude.

Interests

Antiques, Camping

References

Available upon request.

Lars E. Nielson, MD, FACOG

Experience:

January 2017 – Present	Medical Director-MAT Program (Medication Assisted Therapy) Weeks Medical Center
May 2016 - Present	North Country Healthcare CMO Group
March 2014 - Present	Physician-Chronic Wound Care and Hyperbaric Medicine Weeks Medical Center
June 2006 – Present	Chief Medical Officer Weeks Medical Center
9/2006 – Present	N.H. Foundation for Healthy Communities Member of Medical Executive Committee
1/2007 – 12/2009	Chair DHA Quality and Planning Board
6/2007 – 2015	Chair DHA CMO Committee
6/2006 - Present	Medical Director Family Planning Weeks Medical Center
October 2003 – Present Staff Ob-GYN	Weeks Medical Center Lancaster, NH Chief of Ob-GYN, Member of EMR Task Force
July 1990 - Sept 2003	Littleton Regional Hospital Littleton, NH

Solo Private Practice Ob-GYN

- Full range of reproductive health services including infertility and unrogynecology
- President of Medical Staff, Littleton Regional Hospital, 1999- 2000
- Member, Littleton Regional Hospital Board of Trustees, 2001-2003
- Chair, Medical Records, Utilization Review Committee, 1995-1999

Sept 1995 to Sept 2003 Ammonusuc Community Health Service, Littleton, NH

Director of Reproductive Health

- **Supervised Family Practitioners, Midwives, and Nurse Practitioners**
- **Responsible for Establishing, Reviewing & Revising Clinical Protocols**

July 1986 – June 1990 | 812th Strategic Hospital | Ellsworth AFB, SD

Chief of Ob-GYN

- Provided full range of reproductive health services
- Supervised other Ob-GYNs, Midwives, Nurse Practitioners and other support staff
- Chief of Hospital Services 1985 – 86
- Awarded Meritorious Service Medal

Education

October 2004 – June 2004 — Structural Acupuncture for Physicians, Harvard Medical School, Boston, MA

July 1982 – June 1986 — Medical Center Hospital of Vermont, Burlington, VT
Residency in Obstetrics & Gynecology

September 1978 – May 1982 — Tufts University School of Medicine, Boston, MA
Medical Doctor

September 1972 – May 1976 — University of Vermont, Burlington, VT
BA in Biochemistry

Board Certification American Board of Ob-GYN 1989, Recertified until 12/31/2012

Medical Licensure New Hampshire 1990 - Present

Community Service

Moderator/President First Congregational Church, Littleton, NH 2004 – 2008 and 2016 - 2019

Weathervane Theater Board of Trustees, 1994 – 1996
President, Grafton County Medical Society, 1996 - 2000
Moderator, Shaken Baby Syndrome Conference 1996

Public Speaking

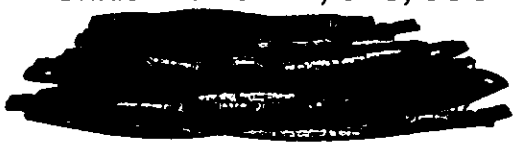
What's the Point of Acupuncture? Weeks Medical Center/UCVH Women's Health Conference 2006

Your Sex Drive and How to Get it Back, Weeks Medical Center/UCVH Women's Health Conference 2005

Menopause 101, Weeks Medical Center/UCVH Women's Health Conference 2004

Emergency Childbirth, Northern New England EMT Conference 2001 & 2003

CHRISITNE FORTIN, CPC, COC



Experience
North Country Hospital, Newport VT

* *Director Patient Financial Service/Facility/Professional/Patient Access 2011- Present*
* *Director Patient Financial Service/Professional/Practice Management 1999-2011*

    * Responsible for Revenue Cycle Operations for Facility and Professionl Services
    * Oversee and manage Patient Access directly and indirectly including ER Registration
    * Implements procedures and policies to maximize reimbursement and maintain compliance
    * Continually evaluate and analyze ongoing departmental issues to strategize
    * Negotiating payment plans with vendors
    * Determine appropriate operational changes and coordinates changes as necessary.
    * Reports to CFO and COO indirectly with regard to Professional Services
    * Consistently ran departments under or at budget for several years and continue to do so
    * Solid working relationship with Senior Leadership, Department Mangers and Auditors
    * Managed multiple practices while managing professional billing operations including Orthopaedics, Neurology, Urology, Anesthesia, Primary Care (1999-2011)

* *Assistant to Medical Director 1996-1999*
  *Assisted MGO with multi-specialty medical clinics.

* *Practice Manager North Country Obstetrics & Gynecology 1989-1996*
    * Managed day to day operations obstetrical practice with two physicians and certified midwife Started as receptionist and Managed the clinic last 3 years of service

* *Rockingham Orthopaedics Associates, Derry NH 1986-1989*
  Administrative Assistant

Education/Certification
Certified Coder for Professional and Outpatient Coding
QHR Lean Healthcare Certification

Johnson State College – Johnson, Vermont
* *Business Management with a concentration in Accounting:*

Littleton Regional Healthcare

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jarrett Stern	Special Projects Executive	$225,000	33%	$75,000/Yr
Lars Nielson, MD	Medical Director -Contract	$322,400	20%	$64,480/Yr
Rona Glines	VP Administration-Contract	$165,401	5%	$8,271/Yr
Christine Fortin	Administration-Contract	$103,000	5%	$5,150/Yr

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-06)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name LRGHealthcare		1.4 Contractor Address 80 HIGHLAND ST, LACONIA, NH, 03246	
1.5 Contractor Phone Number (603) 524-3211	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,593,000
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature Kevin W. Donovan		1.12 Name and Title of Contractor Signatory Kevin W. Donovan CEO	

1.13 Acknowledgement: State of NH, County of Belknap

On October 17, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

Holly A Hudon [Seal]

1.13.2 Name and Title of Notary or Justice of the Peace

Holly A. Hudon, Notary Public

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: Megan A. Yost-Attorney On: 10/19/18

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

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Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

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14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

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Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Laconia Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Laconia Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Contractor: LRGHealthcare

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2019)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 121,667.00	$ 69,333.00	$ 191,000.00	$ -	$ 6,000.00	$ 6,000.00	$ 121,667.00	$ 63,333.00	$ 185,000.00
2. Employee Benefits	$ 34,200.00	$ 18,720.00	$ 52,920.00	$ -	$ 1,620.00	$ 1,620.00	$ 34,200.00	$ 17,100.00	$ 51,300.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ 2,000.00	$ -	$ 2,000.00	$ -	$ -	$ -	$ 2,000.00	$ -	$ 2,000.00
Purchase/Depreciation	$ 25,000.00	$ -	$ 25,000.00	$ -	$ -	$ -	$ 25,000.00	$ -	$ 25,000.00
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ 12,500.00	$ -	$ 12,500.00	$ -	$ -	$ -	$ 12,500.00	$ -	$ 12,500.00
6. Travel	$ 8,000.00	$ -	$ 8,000.00	$ -	$ -	$ -	$ 8,000.00	$ -	$ 8,000.00
7. Occupancy	$ 35,200.00	$ 4,000.00	$ 39,200.00	$ -	$ 4,000.00	$ 4,000.00	$ 35,200.00	$ -	$ 35,200.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ 250.00	$ 250.00	$ -	$ 250.00	$ 250.00	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 3,000.00	$ -	$ 3,000.00	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 40,000.00	$ -	$ 40,000.00	$ -	$ -	$ -	$ 40,000.00	$ -	$ 40,000.00
10. Marketing/Communications	$ 15,000.00	$ -	$ 15,000.00	$ -	$ -	$ -	$ 15,000.00	$ -	$ 15,000.00
11. Staff Education and Training	$ 12,000.00	$ -	$ 12,000.00	$ -	$ -	$ -	$ 12,000.00	$ -	$ 12,000.00
12. Subcontracts/Agreements	$ 331,000.00	$ -	$ 331,000.00	$ -	$ -	$ -	$ 331,000.00	$ -	$ 331,000.00
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex Funds	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
Respite Beds	$ 8,000.00	$ -	$ 8,000.00	$ -	$ -	$ -	$ 8,000.00	$ -	$ 8,000.00
Naloxone Set-aside	$ 45,000.00	$ -	$ 45,000.00	$ -	$ -	$ -	$ 45,000.00	$ -	$ 45,000.00
TOTAL	$ 742,567.00	$ 92,303.00	$ 834,870.00	$ 3,000.00	$ 11,870.00	$ 14,870.00	$ 739,567.00	$ 80,433.00	$ 820,000.00
Indirect As A Percent of Direct		12.4%							

Contractor Initials KWD

Date 10/15/18

New Hampshire Department of Health and Human Services

Contractor Name: LRGHealthcare

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 184,000.00	$ 4,000.00	$ 188,000.00	$ -	$ 4,000.00	$ 4,000.00	$ 184,000.00	$ -	$ 184,000.00
2. Employee Benefits	$ 41,300.00	$ 1,215.00	$ 42,515.00	$ -	$ 1,215.00	$ 1,215.00	$ 41,300.00	$ -	$ 41,300.00
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ 1,200.00	$ -	$ 1,200.00	$ -	$ -	$ -	$ 1,200.00	$ -	$ 1,200.00
Purchase/Depreciation	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00	$ -	$ 3,000.00
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
6. Travel	$ 8,000.00	$ -	$ 8,000.00	$ -	$ -	$ -	$ 8,000.00	$ -	$ 8,000.00
7. Occupancy	$ 50,500.00	$ 5,050.00	$ 55,550.00	$ -	$ 5,050.00	$ 5,050.00	$ 50,500.00	$ -	$ 50,500.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ 250.00	$ 250.00	$ -	$ 250.00	$ 250.00	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 3,000.00	$ -	$ 3,000.00	$ 3,000.00	$ -	$ 3,000.00	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ 13,000.00	$ -	$ 13,000.00	$ -	$ -	$ -	$ 13,000.00	$ -	$ 13,000.00
10. Marketing/Communications	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
11. Staff Education and Training	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
12. Subcontracts/Agreements	$ 310,000.00	$ -	$ 310,000.00	$ -	$ -	$ -	$ 310,000.00	$ -	$ 310,000.00
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex Funds	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
Respite Beds	$ 8,000.00	$ -	$ 8,000.00	$ -	$ -	$ -	$ 8,000.00	$ -	$ 8,000.00
Naloxone Set-aside	$ 90,000.00	$ -	$ 90,000.00	$ -	$ -	$ -	$ 90,000.00	$ -	$ 90,000.00
TOTAL	$ 776,000.00	$ 10,515.00	$ 786,515.00	$ 3,000.00	$ 10,515.00	$ 13,515.00	$ 773,000.00	$ -	$ 773,000.00

Indirect As A Percent of Direct: 1.4%

Contractor Initials: KWD

Date: 10/15/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials KWD
Date 10/15/18

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
  1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/15/18
Date

Name:
Title: Kevin W. Donovan
CEO

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/15/18
Date

Name: Kevin W. Donovan
Title: CEO

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/15/18
Date

Name: Kevin W. Donovan
Title: CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/15/18
Date

Name: Kevin W. Donovan
Title: CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/15/18
Date

Name: Kevin W. Doward
Title: CEO

Contractor Initials KWD
Date 10/15/18

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

Contractor Initials KWD

Date 10/15/18

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/15/18
Date

Name: Kevin W. Donovan
Title: CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073968455

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   _____NO ___✓___YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____NO ___✓___YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LRGHEALTHCARE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 15, 1893. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **64122**
Certificate Number: **0004186560**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 19th day of September A.D. 2018.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Golda L. Schohan, do hereby certify that:

1. I am a duly elected Officer of LRGHealthcare.

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on the 15th day of October, 2018:

   RESOLVED: That the President and CEO is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 19th day of October, 2018.

4. Kevin W. Donovan is the duly elected President and CEO of the Agency.

Golda L. Schohan, Secretary

STATE OF NEW HAMPSHIRE

County of Belknap

The forgoing instrument was acknowledged before me this 19th day of October, 2018, by Golda L. Schohan.

Holly A. Hudon, Notary Public
State of New Hampshire

(NOTARY SEAL)

Commission Expires: June 21, 2022

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/09/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com CN107277064-LRG-gener-18-19	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED LRGHealthcare 80 Highland Street Laconia, NH 03246	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : Granite Shield Insurance Exchange INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** NYC-010341171-04 **REVISION NUMBER:** 9

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GSIE-PRIM-2018-103	01/01/2018	01/01/2019	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 12,000,000
	POLICY [ ] PRO-JECT [ ] LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	DED [ ] RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [N] N/A						E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Evidence of General Liability Insurance

Each occurrence and aggregate limits are shared amongst The Granite Shield Exchange Hospitals.

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE of Marsh USA Inc.

Elizabeth Stapleton

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/09/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Tracy Andriski, CISR	
CROSS INSURANCE - LACONIA 155 Court Street Laconia NH 03246	PHONE (A/C, No, Ext): (603) 524-2425	FAX (A/C, No): (603) 524-3666
	E-MAIL ADDRESS: tandriski@crossagency.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : MEMIC Indemnity Company	11030
INSURED LRGHealthcare 80 Highland Street Laconia NH 03246	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL1810965682 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		3102806692	10/01/2018	10/01/2019	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

State of New Hampshire Department of Health & Human Services
129 Pleasant Street
Concord NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

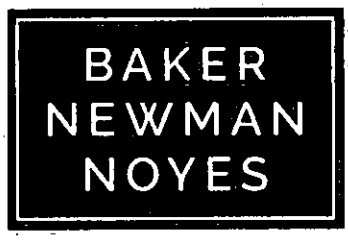
Tracy Andriski

MISSION –

LRGHealthcare's mission is to provide quality, compassionate care and to strengthen the well-being of our community.

VISION-

The LRGHealthcare organization shall be the preeminent provider of high levels of quality health care, patient safety, and overall community satisfaction throughout the Lakes Region of New Hampshire.



LRGHealthcare and Subsidiary

Audited Consolidated Financial Statements

Years Ended September 30, 2017 and 2016
With Independent Auditors' Report

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

LRGHEALTHCARE AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017 and 2016

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BAKER NEWMAN NOYES

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com

INDEPENDENT AUDITORS' REPORT

To the Trustees
LRGHealthcare and Subsidiary

We have audited the accompanying consolidated financial statements of LRGHealthcare and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LRGHealthcare and Subsidiary as of September 30, 2017 and 2016, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes LLC

Manchester, New Hampshire
January 29, 2018

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2017 and 2016

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	$ 3,988,717	$ 8,104,880
Accounts receivable, net of allowance for doubtful accounts of $7.8 million in 2017, $6.3 million in 2016	25,351,735	21,536,833
Other receivables	6,876,450	5,898,943
Current portion of pledges receivable	27,698	39,915
Inventories	5,615,285	5,499,898
Current portion of deferred system development costs	4,999,717	2,481,109
Other prepaid expenses	3,093,234	2,185,299
Total current assets	49,952,836	45,746,877
Assets whose use is limited:		
Under bond indenture held by trustee	10,624,862	10,543,329
Under workers' compensation trust agreement	1,476,176	1,984,507
Under deferred compensation plan	859,360	582,269
By donors or grantors for specific purposes	557,439	787,807
By donors for capital improvements	3,103,594	3,222,835
By donors for permanent endowment funds	2,199,737	2,199,737
Total assets whose use is limited	18,821,168	19,320,484
Long-term investments	240,536	240,536
Property, plant and equipment, net	101,774,091	100,930,665
Other assets	5,513,040	4,668,922
Deferred system development costs, less current portion	19,571,182	16,066,100
Total assets	$ 195,872,853	$ 186,973,584

LIABILITIES AND NET ASSETS

	2017	2016
Current liabilities:		
Accounts payable	$ 20,202,648	$ 13,471,051
Estimated third-party payor settlements payable	14,569,404	14,084,989
Accrued employee compensation:		
Payroll	4,122,300	3,870,127
Compensated absences	4,235,332	4,094,574
Healthcare and other accrued benefits	702,501	1,151,261
Current portion of long-term debt	4,014,487	3,870,890
Total current liabilities	47,846,672	40,542,892
Long-term debt:		
Note payable	608,034	663,310
Bonds	117,685,287	121,854,225
Less current installments	(4,014,487)	(3,870,890)
Long-term debt, net of current portion	114,278,834	118,646,645
Other long-term liabilities:		
Accrued pension/retirement costs	40,586	4,116,147
Workers' compensation and other liabilities	5,769,360	4,483,220
Total long-term liabilities	120,088,780	127,246,012
Total liabilities	167,935,452	167,788,904
LRGHealthcare net assets:		
Unrestricted	21,911,055	12,738,544
Temporarily restricted	3,661,033	4,119,966
Permanently restricted	2,199,737	2,199,737
Total LRGHealthcare net assets	27,771,825	19,058,247
Noncontrolling interest in consolidated subsidiary	165,576	126,433
Total net assets	27,937,401	19,184,680
Total liabilities and assets	$ 195,872,853	$186,973,584

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2017 and 2016

	2017	2016
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts	$ 215,609,900	$218,479,181
Less provision for doubtful accounts	(13,944,318)	(11,422,443)
Total net patient service revenue less provision for doubtful accounts	201,665,582	207,056,738
Disproportionate share funding	12,337,197	9,884,224
Net assets released from restrictions for operations	725,650	52,994
Other revenue	5,853,369	5,266,085
Total revenue	220,581,798	222,260,041
Expenses:		
Salaries	104,274,631	104,842,730
Payroll taxes	6,417,189	6,651,188
Employee benefits	14,786,848	14,085,440
Purchased services and contracted physicians	26,552,765	26,215,469
Pharmacy supplies	12,587,653	12,311,290
Chargeable supplies	9,601,251	11,418,969
Nonchargeable supplies	6,534,471	7,360,090
Depreciation and amortization	7,317,573	8,319,587
Rent and occupancy expenses	6,957,897	6,858,604
Professional services	1,255,229	1,665,008
Interest expense	5,367,751	5,497,615
Insurance	1,030,706	3,090,456
Repairs	4,397,963	3,696,744
Tuition, advertising and other	2,970,108	2,672,994
Dues, travel and education	1,144,988	1,349,022
New Hampshire Medicaid Enhancement Tax	8,345,548	8,071,019
Total expenses	219,542,571	224,106,225
Income (loss) from operations	1,039,227	(1,846,184)
Nonoperating gains (losses):		
Gifts and bequests	66,882	175,847
Interest and dividend income	394,672	49,625
Gain (loss) on disposal of property, plant and equipment	617,886	(182,490)
Other nonoperating gain	25,495	672,120
Nonoperating gains (losses), net	1,104,935	715,102
Consolidated excess (deficiency) of revenue and nonoperating gains (losses) over expenses	2,144,162	(1,131,082)
Excess of revenue and nonoperating gains (losses) over expenses attributable to noncontrolling interest in consolidated subsidiary	(439,805)	(473,285)
Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$ 1,704,357	$ (1,604,367)

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2017 and 2016

	2017	2016
LRGHealthcare unrestricted net assets:		
Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare	$ 1,704,357	$ (1,604,367)
Adjustment to pension liability	6,250,431	(720,650)
Net assets released from restrictions for equipment purchases and property improvements	851,289	132,364
Unrealized gains (losses) on investments, net	366,434	(55,958)
Increase (decrease) in LRGHealthcare unrestricted net assets	9,172,511	(2,248,611)
LRGHealthcare temporarily restricted net assets:		
Restricted contributions and pledges	1,019,439	1,005,012
Grants	98,567	42,497
Net assets released from restrictions for:		
Equipment purchases and property improvements	(851,289)	(132,364)
Operating purposes	(725,650)	(52,994)
(Decrease) increase in LRGHealthcare temporarily restricted net assets	(458,933)	862,151
Increase (decrease) in LRGHealthcare net assets	8,713,578	(1,386,460)
Noncontrolling interest in consolidated subsidiary:		
Excess of revenue and nonoperating gains over expenses attributable to noncontrolling interest in consolidated subsidiary	439,805	473,285
Contributions, distributions and other changes in noncontrolling interest	(400,662)	(502,140)
Increase (decrease) in noncontrolling interest in consolidated subsidiary	39,143	(28,855)
Increase (decrease) in total net assets	8,752,721	(1,415,315)
Net assets, beginning of year	19,184,680	20,599,995
Net assets, end of year	$27,937,401	$ 19,184,680

See accompanying notes.

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Increase (decrease) in total net assets	$ 8,752,721	$ (1,415,315)
Adjustments to reconcile increase (decrease) in total net assets to net cash provided by operating activities:		
Depreciation and amortization	7,317,573	8,319,587
(Gain) loss on disposal of property, plant and equipment	(617,886)	182,490
Provision for doubtful accounts	13,944,318	11,422,443
Adjustment to pension liability	(6,250,431)	720,650
Contributions, distributions and other changes in noncontrolling interest in consolidated subsidiary	400,662	502,140
Restricted contributions, pledges and grants	(1,118,006)	(1,047,509)
Unrealized (gains) losses on investments, net	(366,434)	55,958
Changes in operating assets and liabilities:		
Accounts receivable	(17,759,220)	(3,598,923)
Estimated third-party settlements payable	484,415	5,472,669
Other receivables	(977,507)	(1,011,704)
Inventories	(115,387)	(219,621)
Deferred system development costs	(2,755,460)	(15,800,129)
Other prepaid expenses	(907,935)	(325,188)
Accounts payable	3,463,367	147,528
Accrued employee compensation	(55,829)	(1,167,774)
Workers' compensation and other liabilities	1,286,140	1,045,167
Accrued pension/retirement costs	2,174,870	2,307,161
Net cash provided by operating activities	6,899,971	5,589,630
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(8,606,470)	(2,016,757)
Proceeds from sale of property, plant and equipment	1,063,357	–
Net increase in other noncurrent assets	(844,118)	(1,621,268)
Decrease (increase) in assets whose use is limited and long-term investments, net	865,750	(701,882)
Net cash used by investing activities	(7,521,481)	(4,339,907)
Cash flows from financing activities:		
Repayment of long-term debt	(4,224,214)	(4,073,011)
Restricted contributions, pledges and grants	1,130,223	1,115,424
Noncontrolling interest in consolidated subsidiary	(400,662)	(502,140)
Net cash used by financing activities	(3,494,653)	(3,459,727)
Net decrease in cash and cash equivalents	(4,116,163)	(2,210,004)
Cash and cash equivalents, beginning of year	8,104,880	10,314,884
Cash and cash equivalents, end of year	$ 3,988,717	$ 8,104,880

LRGHEALTHCARE AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended September 30, 2017 and 2016

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 5,367,751	$ 5,497,615

Supplemental disclosure of noncash flow information:
During 2017 and 2016, the Hospitals have included $5,626,130 and $2,357,900, respectively, of deferred system development costs in accounts payable.

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

LRGHealthcare's mission is to provide accessible, quality, compassionate care and to strengthen the well being of its communities. LRGHealthcare operates two acute care hospitals located in Franklin and Laconia, New Hampshire. The Franklin facility was designated a Critical Access Hospital effective July 1, 2004 and includes 25 acute care beds. Also, on October 1, 2013, the Franklin facility opened a 10 bed designated psychiatric receiving facility. The Laconia facility includes 137 acute care beds and was designated a Rural Referral Center in 1986 and a Sole Community Hospital in 2009. The facilities provide emergency care, ambulatory surgical units and medical practices.

LRGHealthcare is a New Hampshire nonprofit corporation formed in November 1893 and is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The accompanying consolidated financial statements include the accounts of LRGHealthcare's wholly-owned workers' compensation trust (see note 11). The accompanying consolidated financial statements also include the accounts of Hillside ASC, LLC (Hillside). LRGHealthcare owns a 65.3% interest in Hillside at September 30, 2017 and 2016. Hillside is an ambulatory surgical center located in Gilford, New Hampshire. The consolidated group is collectively referred to herein as "the Hospitals."

Effective June 25, 2015 the Hospitals and Speare Memorial Hospital formed Asquam Community Health Collaborative, LLC (ACHC). ACHC was initially capitalized by contributions of $5,000 made by each member. ACHC has two equal members and may admit additional members in the future with the consent of the original members. ACHC's purpose is to conduct (1) joint purchasing, management and use arrangements involving information technology and other major equipment; (2) shared administrative and other supportive services; (3) the exchange of wage, price, cost and/or clinical outcomes (i.e., quality data) as permitted by law; (4) development and/or participation in innovative healthcare delivery platforms; and (5) other activities as determined by consent of the members. ACHC's initial activity is to jointly purchase an Electronic Healthcare Record (EHR) system. The Hospitals are accounting for ACHC under the equity method and have recorded their share of the ownership interest in ACHC of $3,138 and $5,000 at September 30, 2017 and 2016, respectively, in other assets in the accompanying consolidated statements of financial position. ACHC entered into a noninterest bearing note payable in 2017 with an unrelated party. The members are a guarantor of the note payable. The balance of the note payable was approximately $1,600,000 at September 30, 2017.

Principles of Consolidation

All significant intercompany balances and transactions have been eliminated in the consolidation. Noncontrolling interests in the less-than-wholly-owned consolidated subsidiary of LRGHealthcare are presented as a component of total equity to distinguish between the interests of LRGHealthcare and the interests of the noncontrolling owners. Revenues, expenses and nonoperating gains from this subsidiary are included in the consolidated amounts presented on the consolidated statements of operations. Excess (deficiency) of revenue and nonoperating gains (losses) over expenses attributable to LRGHealthcare separately presents the amounts attributable to the controlling interest for each of the years presented.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Noncontrolling Interests

Noncontrolling interests represent the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. LRGHealthcare's accompanying consolidated financial statements include all assets, liabilities, revenues and expenses at their consolidated amounts, which include the amounts attributable to LRGHealthcare and the noncontrolling interest. LRGHealthcare recognizes as a separate component of equity and earnings the portion of income or loss attributable to noncontrolling interests based on the portion of the entity not owned by LRGHealthcare.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and short-term investments with original maturities of three months or less, excluding assets whose use is limited and long-term investments.

The Hospitals maintain their cash in bank deposit accounts, which at times may exceed federally insured limits. The Hospitals have not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospitals analyze their past history and identify trends for each of their major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospitals analyze contractually due amounts and provide an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospitals record a provision for doubtful accounts in the period of service on the basis of their past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospitals' allowance for doubtful accounts for self-pay patients increased from 63% of self-pay accounts receivable at September 30, 2016 to 67% of self-pay accounts receivable at September 30, 2017. The Hospitals' net self-pay bad debt writeoffs increased $955,383 from $11,302,443 in 2016 to $12,257,826 in 2017. The change in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends, payor mix and the overall balance in self-pay accounts receivable.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Investments and Investment Income

Investments, including funds held by trustee under bond indenture, are carried at fair value in the accompanying consolidated statements of financial position. Realized gains or losses on the sale of investment securities are determined by the specific identification method. Except as described in the following paragraph, investment interest and dividends on unrestricted funds are treated as nonoperating gains and losses. Unrealized gains and losses on investments are excluded from the excess (deficiency) of revenue and nonoperating gains (losses) over expenses unless the losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

The investments in joint ventures are reported on the equity method of accounting and are recorded at amounts that approximate the Hospitals' equity in the underlying net assets of the entities.

Interest income attributable to operating funds are reported within other revenue in the accompanying consolidated statements of operations. Operating funds are determined by the Hospitals as being 20 days or less of working capital requirements.

Investment Policies

The Hospitals' investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

The goal with respect to the management of endowment funds is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospitals target a diversified asset allocation that places emphasis on achieving their long-term return objectives within prudent risk constraints.

Assets Whose Use is Limited

Assets whose use is limited include assets held by trustees under bond indenture, workers' compensation reserves, employee deferred compensation plan and donor-restricted investments.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost, determined using the "first-in, first-out" (FIFO) method, or net realizable value.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospitals' policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. See also note 6. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Donations of fixed assets, or funds received to acquire property and equipment, are reported at fair value when received in temporarily restricted net assets and transferred to unrestricted net assets when the asset is acquired or placed in service.

Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The Hospitals recognize patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospitals provide a discount approximately equal to that of their largest private insurance payors. On the basis of historical experience, a significant portion of the Hospitals' uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospitals record a significant provision for doubtful accounts related to uninsured patients in the period the services are provided.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospitals believe that they are in compliance with all applicable laws and regulations and are not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. See also note 4.

Excess (Deficiency) of Revenue and Nonoperating Gains (Losses) Over Expenses

The Hospitals have deemed all activities as ongoing, major or central to the provision of healthcare services and, accordingly, they are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The consolidated statements of operations include excess (deficiency) of revenue and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenue and nonoperating gains (losses) over expenses, consistent with industry practice, include the change in net unrealized gains and losses on investments, other than losses considered other-than-temporary, the pension liability adjustments and contributions of long-lived assets, including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

Charity Care

The Hospitals provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates (see note 2). Because the Hospitals do not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospitals' total expenses divided by gross patient service revenue.

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the Hospitals has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions for operations (for noncapital related items) or as net assets released from restrictions used for equipment purchases and property improvements (capital related items). Permanently restricted net assets have been restricted by donors to be maintained by the Hospitals in perpetuity. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with the *Uniform Prudent Management Institutional Funds Act* (UPMIFA), the Hospitals consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

Spending Policy for Appropriation of Assets for Expenditure

Spending policies may be adopted by the Hospitals, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospitals evaluate their spending policies on an annual basis.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Estimated Workers' Compensation and Healthcare Claims

The Hospitals are self-insured with respect to certain employee workers' compensation and healthcare costs. The provision for estimated workers' compensation and healthcare claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported (see note 11).

Volunteer Hours (Unaudited)

Volunteers contributed 21,255 and 20,978 hours in donated services in 2017 and 2016, respectively. Volunteers perform a number of varied activities for the Hospitals including pharmacy, patient and mail transport as well as filing and reception duties. The monetary value of such services has not been reflected in the accompanying consolidated financial statements.

Grant Revenue and Expenditures

Revenues and expenses under grant programs are recognized as the related expenditures are incurred.

Advertising, Marketing Costs and Community Affairs

Advertising, marketing and related costs are charged to operations when incurred. Such amounts totaled $930,742 in 2017 and $605,443 in 2016.

Income Taxes

The Hospitals, with the exception of Hillside, are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospitals' tax positions and concluded the Hospitals have maintained their tax-exempt status, do not have any significant unrelated business income and have taken no uncertain tax positions that require adjustment to or disclosure in the consolidated financial statements. Hillside is a for-profit subsidiary and is a limited liability company. As such, the subsidiary is subject to state taxation but is not subject to federal taxation. Deferred taxes are not significant at September 30, 2017 and 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party payor settlements, malpractice and health insurance reserves, and actuarial assumptions used in determining pension obligations and expense and workers' compensation costs.

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Hospitals expect to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the Hospitals on October 1, 2018. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Hospitals are evaluating the impact that ASU 2014-09 will have on their consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Hospitals on October 1, 2019, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2016-02 on their consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* (Topic 958) (ASU 2016-14). Under ASU 2016-14, the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions". ASU 2016-14 also enhances certain disclosures regarding board designations, donor restrictions and qualitative information regarding management of liquid resources. In addition to reporting expenses by functional classifications, ASU 2016-14 will also require the consolidated financial statements to provide information about expenses by their nature, along with enhanced disclosures about the methods used to allocate costs among program and support functions. ASU 2016-14 is effective for the Hospitals' fiscal year ending September 30, 2019, with early adoption permitted. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2016-14 on their consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU 2017-07). ASU 2017-07 will require that an employer report the service cost component of net periodic pension cost in the same line item as other compensation costs arising from services rendered by employees during the period. The other components of net periodic pension cost are required to be presented in the statement of operations separately and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for the Hospitals on October 1, 2018, with early adoption permitted. The Hospitals are currently evaluating the impact of the pending adoption of ASU 2017-07 on their consolidated financial statements.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management of the Hospitals evaluated events occurring between the end of the Hospitals' fiscal year and January 29, 2018, the date the consolidated financial statements were available to be issued.

Reclassifications

Certain 2016 amounts have been reclassified to conform with the current year presentation.

2. Charity Care and Community Benefits (Unaudited)

The mission of the Hospitals is to provide quality, accessible healthcare services to patients regardless of their ability to pay. The Hospitals subsidize certain healthcare services, provide outreach and educational programs, build community population partnerships, provide free and discounted healthcare services and subsidize costs exceeding government sponsored healthcare reimbursement.

The estimated costs of providing community benefits and charity care for the years ended September 30 are:

	2017	2016
Charity care	$ 750,000	$ 682,000
Community programs and subsidized services	24,762,000	25,862,000
Government sponsored healthcare	20,146,000	22,070,000
	$45,658,000	$48,614,000

3. Concentrations

Financial instruments which subject the Hospitals to concentrations of credit risk consist of cash equivalents, patient accounts receivable and investments, including assets whose use is limited. The risk with respect to cash equivalents is minimized by the Hospitals' policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospitals have not experienced any losses on cash equivalents. The Hospitals' patient accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. Investments do not represent significant concentrations of specific market risk inasmuch as the Hospitals' investment portfolio is adequately diversified among various issues. No investments exceeded 10% of investments as of September 30, 2017.

3. Concentrations (Continued)

Additionally, the Hospitals' patient mix consists of local residents and vacationing tourists, many of whom are insured under third-party payor agreements. The mix of payors including revenue, discounts and allowances granted excluding community care and the provision for doubtful accounts follows for fiscal years ended September 30 (in millions):

	2017			2016		
	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue	Rev-enue	Discount and Allow-ances	Net Patient Rev-enue
Medicare	$262.1	$(173.6)	$ 88.5	$253.2	$(174.5)	$ 78.7
Medicaid	62.6	(50.3)	12.3	80.6	(62.7)	17.9
Insurance – fees for service	185.1	(87.0)	98.1	191.5	(77.4)	114.1
Patients and Healthlink	13.3	(4.2)	9.1	10.7	(5.4)	5.3
Employee health plan	14.6	(7.0)	7.6	10.6	(8.1)	2.5
	$537.7	$(322.1)	$215.6	$546.6	$(328.1)	$218.5

Concentrations of credit risk from gross receivables from patients and third-party payors are as follows at September 30:

	2017	2016
Medicare	41.57%	34.13%
Medicaid	9.31	14.09
Commercial insurers	32.92	34.91
Patients	16.20	16.87
	100.00%	100.00%

4. Net Patient Service Revenue

The Hospitals have agreements with third-party payors that provide for payments to the Hospitals at amounts different from their established rates. Similarly, patients are offered prompt payment discounts through the Hospitals' Patient Advantage Program. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge (DRGs). These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Inpatient non-acute services are paid based on a fixed prospective payment system, again varying according to clinical diagnosis and other factors. As a Sole Community Hospital, the payment is the higher of the hospital specific or federal specific rate.

4. **Net Patient Service Revenue (Continued)**

Since August 2000, outpatient services are reimbursed under the Medicare Outpatient Prospective Payment System (OPPS). Payments are made at a fixed rate based upon each service as categorized by Medicare's Ambulatory Payment Classifications (APCs). As a result, the materiality of prospectively determined settlement adjustments diminished. The Hospitals' classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review. In 2009, LRGHealthcare was designated a Sole Community Hospital by Medicare adding to its previous designation as a Rural Referral Center.

Effective July 1, 2004, the Franklin facility was classified as a Critical Access Hospital. Thereafter, inpatient, non-acute services related to Medicare beneficiaries are paid based on a blended rate comprised of fixed fee schedules for laboratory services to non-patients and a cost reimbursement methodology. The Franklin facility is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at rates prospectively determined per discharge (DRGs). Outpatient services are reimbursed under a cost reimbursement methodology and a fixed laboratory fee schedule. The Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals subject to audits thereof by the Medicaid fiscal intermediary.

Settlements

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated statements of financial position represents the estimated net amounts to be received/paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (CMS) (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provisions. Settlements for the Laconia facility have been finalized through 2014 for Medicare and Medicaid. Settlements for the Franklin facility have been finalized through 2013 for Medicare and 2014 for Medicaid. Income from operations increased by approximately $379,000 for the year ended September 30, 2017 and decreased by approximately $1,300,000 for the year ended September 30, 2016 (primarily due to an increase in reserves for disproportionate share payments as discussed below), respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

In 2016, the Hospitals were notified by CMS that a final determination was made regarding a Sole Community Hospital Volume Decrease Adjustment that was requested by the Hospitals for the fiscal year ended September 30, 2011. The final amounts approved by CMS totaled $3,697,623 for the fiscal year ended September 30, 2011. Accordingly, the Hospitals received $3,697,623 in fiscal year 2016 relating to the fiscal year ended September 30, 2011 adjustment. In addition, revenues totaling $3,697,623 and $3,304,461 were recorded within other revenue in the accompanying consolidated statements of operations for the year ended September 30, 2016.

4. **Net Patient Service Revenue (Continued)**

Other

The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospitals under these agreements includes discounts from established charges, DRG indexed payments, fee schedule based payments and retrospective cost based reimbursement.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Hospitals' net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospitals for fiscal 2017 and 2016 was $8,345,548 and $8,071,019, respectively. The Hospitals have accrued approximately $2,050,000 and $2,020,000 in MET at September 30, 2017 and 2016, respectively. These amounts are included in accounts payable in the accompanying consolidated statements of financial position at September 30, 2017 and 2016.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2017 and 2016, the Hospitals recognized disproportionate share funding totaling $12,337,197 and $9,884,224, respectively.

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, excluding hospitals classified as critical access. For the periods ending June 30, 2017 and 2016, the State included the hospitals not classified as critical access as qualifying for disproportionate share payments. The Hospitals have recorded receivables totaling approximately $2,375,000 at September 30, 2017 and 2016, representing the portion of disproportionate share payments expected to be received related to the Hospitals' fiscal year.

CMS has completed audits of the State's program and the disproportionate share payments made by the State in 2011 and 2012, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospitals have recorded reserves to address their exposure based on CMS's audit results to date. Approximately $6,300,000 in reserves relating to these audits is included in estimated third-party payor settlements payable in the accompanying consolidated statement of financial position at September 30, 2017 and 2016.

4. **Net Patient Service Revenue (Continued)**

Summary of Patient Service Revenues

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for doubtful accounts recognized in 2017 and 2016 from these major payor sources, is as follows (in millions):

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
2017				
Private payors (includes coinsurance and deductibles)	$185.1	$ (87.0)	$ (6.1)	$ 92.0
Medicaid	62.6	(50.3)	(0.6)	11.7
Medicare	262.1	(173.6)	(2.4)	86.1
Self-pay and Healthlink	13.3	(4.2)	(4.7)	4.4
Employee health plan	14.6	(7.0)	(0.1)	7.5
	$537.7	$(322.1)	$(13.9)	$201.7
2016				
Private payors (includes coinsurance and deductibles)	$191.5	$ (77.4)	$ (5.0)	$109.1
Medicaid	80.6	(62.7)	(0.5)	17.4
Medicare	253.2	(174.5)	(2.0)	76.7
Self-pay and Healthlink	10.7	(5.4)	(3.8)	1.5
Employee health plan	10.6	(8.1)	(0.1)	2.4
	$546.6	$(328.1)	$(11.4)	$207.1

5. Assets Whose Use is Limited and Long-Term Investments

The composition of investments at September 30, 2017 and 2016 is set forth in the table shown below at fair value.

	2017	2016
Assets whose use is limited:		
Under bond indenture held by Trustees:		
Cash and cash equivalents	$10,624,862	$10,543,329
Under workers' compensation trust agreement:		
Cash and cash equivalents	102,503	21,594
U.S. Treasury obligations	–	31,751
Mutual funds	1,285,437	1,782,286
Nonfinancial assets	88,236	148,876
	1,476,176	1,984,507
Under deferred compensation plan:		
Mutual funds	859,360	582,269
Donor restricted assets:		
Cash and cash equivalents	5,860,770	6,158,669
Other investments	–	51,710
	5,860,770	6,210,379
Total assets whose use is limited	18,821,168	19,320,484
Long-term investments:		
Cash and cash equivalents	238,575	238,575
Marketable equity securities	1,961	1,961
Total long-term investments	240,536	240,536
Total assets whose use is limited and long-term investments	$19,061,704	$19,561,020

The following schedule summarizes total investment return and its classification for the year ended September 30, 2017, with totals for comparative purposes shown for 2016:

	2017				
	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Interest and dividends	$394,672	$ –	$ –	$394,672	$ 49,625
Unrealized gains (losses), net	366,434	–	–	366,434	(55,958)
Total investment return	$761,106	$ –	$ –	$761,106	$ (6,333)

5. Assets Whose Use is Limited and Long-Term Investments (Continued)

In evaluating whether the investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the Hospitals' intent and ability to hold the security until a recovery in fair value or maturity. There were no securities in an unrealized loss position at September 30, 2017 and 2016.

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	September 30, 2017 (In Millions)			September 30, 2016 (In Millions)		
	Cost	Accum. Depre.	Net	Cost	Accum. Depre.	Net
Land	$ 1.8	$ –	$ 1.8	$ 1.8	$ –	$ 1.8
Land improvements	3.8	(2.9)	0.9	3.8	(2.9)	0.9
Buildings	81.6	(32.8)	48.8	81.3	(31.9)	49.4
Equipment – major	83.5	(62.6)	20.9	77.1	(60.3)	16.8
Equipment – fixed	56.4	(30.9)	25.5	56.7	(29.6)	27.1
	227.1	(129.2)	97.9	220.7	(124.7)	96.0
Construction in process and deposits	3.9	–	3.9	4.9	–	4.9
Total property, plant and equipment	$231.0	$(129.2)	$101.8	$225.6	$(124.7)	$100.9

The Hospitals own real property which is leased to providers of health services, several small business concerns and charitable organizations. As of September 30, 2017, the cost basis of rented property was $2,640,840 and accumulated depreciation was $2,174,951. Gross rents received during the years ended 2017 and 2016 included in other revenue were $263,333 and $240,833, respectively.

In 2016, the Hospitals engaged an independent third party to assist in reassigning the useful lives of certain property, plant and equipment as of October 1, 2015. The impact of changes to estimated useful lives of certain property, plant and equipment of the Hospitals was reported as a change in accounting estimate in 2016. Depreciation expense before this change in estimate for the year ended September 30, 2016 was $11,252,523. As a result of this change in estimate, depreciation expense for 2016 was reduced by $2,932,936 to $8,319,587.

7. Long-Term Debt

The following bond issues have primarily been used to finance or refinance construction projects, renovations and capital acquisitions of property and equipment.

2015 Bonds

On September 30, 2015, the Hospitals refunded their existing 2010 Series Bonds outstanding (see below) of $133,265,000 through the issuance of $125,871,960 in fixed rate Federal Housing and Urban Development Insured Mortgage Revenue Bonds with an interest rate of 3.70%. The balance of these bonds at September 30, 2017 and 2016 was $117,685,287 and $121,854,225, respectively. The refunding transaction reduces the Hospitals' total interest costs through the maturity of the refunded bonds. As of September 30, 2017, the amount of defeased 2010 Series Bonds payable not included in the accompanying consolidated statements of financial position was $130,065,000.

The Hospitals have granted as collateral for the 2015 bonds substantially all property and equipment (excluding the assets of Hillside) and are required to comply with certain restrictive financial covenants. For the year ended September 30, 2017, the Hospitals were in compliance with all required financial covenants, except for the average payment period, current ratio, days cash on hand, and the equity financial ratio.

Note Payable

During 2014, LRGHealthcare entered into a note payable with the State of New Hampshire Department of Health and Human Services in the amount of $829,138 for the construction of a Designated Receiving Facility on the Franklin campus. The note is noninterest bearing and requires annual payments of $55,276 over a fifteen year period. The balance of this note at September 30, 2017 and 2016 was $608,034 and $663,310, respectively.

Interest expense incurred on the bonds and note payable was approximately $5,368,000 and $5,498,000 in 2017 and 2016, respectively.

Principal payments on the bonds and note payable outstanding at September 30, 2017 for each of the following years ending September 30 are as follows:

2018	$ 4,014,487
2019	4,530,108
2020	4,698,514
2021	4,873,257
2022	5,054,577
Thereafter	95,122,378
	$ 118,293,321

7. Long-Term Debt (Continued)

Revolving Lines of Credit

On October 9, 2015, the Hospitals entered into a $6,000,000 unsecured revolving line of credit agreement with a bank, which is due on demand. The line of credit agreement bears interest at the Wall Street Journal prime rate (4.25% at September 30, 2017). As of September 30, 2017 and 2016, there was no outstanding balance on this line of credit.

On August 17, 2017, the Hospitals entered into a $9,000,000 180 day short-term revolving line of credit agreement with a bank. The line of credit is secured by the Hospitals' accounts receivable with a bank, is due on demand or upon expiration, and bears interest at the Wall Street Journal prime rate plus one-half percent (4.75% at September 30, 2017). As of September 30, 2017, there was no outstanding balance on this line of credit.

Amounts Held by Trustees

The Hospitals are required to maintain bond escrow funds for the monthly payments made by the Hospitals which, in turn, enable the Trustee to fund a debt service reserve and required semi-annual interest payments and annual principal payments due on the Series 2015 bond issue at September 30, 2017 and 2016. Amounts held in bond escrow funds totaled $10,624,862 and $10,543,329 at September 30, 2017 and 2016, respectively.

8. Retirement Plans

The Hospitals have two retirement plans covering substantially all of their employees.

The Hospitals have a tax sheltered annuity based retirement plan (TSA plan). The TSA plan is a defined contribution plan available to all employees of the Hospitals. There are no employer contributions made to the TSA plan. At September 31, 2017 and 2016, the Hospitals have recorded $859,360 and $582,269 on the accompanying consolidated statements of financial position in assets whose use is limited and other liabilities.

The Hospitals also have a defined benefit plan. During 2017, the mortality assumption was updated to use the RP-2017 mortality tables to reflect a modified MP-2017 mortality improvement scale. During 2016, the mortality assumption was updated to use the RP-2016 mortality tables to reflect a modified MP-2016 mortality improvement scale.

The defined benefit plan has received a favorable determination letter dated March 15, 2012.

The defined benefit plan accruals ended December 31, 2004. Those accruals provided for a plan benefit payable upon normal retirement (age 65) of 1.625% of the employee's average highest five consecutive years' earnings during the employee's last 10 years of employment for each year of service up to 25 years. Participants may elect a lump sum form of payment. Beginning January 1, 2005, under the 2005 amendment, a new account was established to accumulate employer contributions and investment credits to be added to the grandfathered defined benefit amount. Those additions will be identical to the cash balance credits described below.

8. Retirement Plans (Continued)

At retirement, grandfathered employees receive the greater of benefits under the defined benefit plan as described above or the cash balance plan. Under the cash balance plan, a participant's January 1, 1995 plan benefit was present valued into a separate account balance in the participant's name which then became the employee's retirement benefit. Thereafter, account additions are determined at 7% of compensation up to $25,000 and 3% thereafter for participants with less than 10 years of service or 4% for participants with 10 or greater years of service. Interest additions are credited at a predetermined rate of interest not to exceed 5.5%. However, ad hoc increases have been made. The interest rate credits for fiscal years 2017 and 2016 were 0.91% and 0.49%, respectively.

The following table sets forth the principal actuarial assumptions used to compute the net periodic pension cost and pension benefit obligations at September 30.

	2017	2016
Principal actuarial assumptions used to determine net periodic pension cost:		
Discount rate	3.73%	4.36%
Expected return on plan assets	7.00	7.00
Salary increases	3.00	3.00
Principal actuarial assumptions used to determine benefit obligations:		
Discount rate	4.01%	3.73%
Salary increases	3.00	3.00

The expected long-term return on asset assumption is reviewed annually, taking into consideration the current and expected future allocation of assets, and the expected long-term return on these asset classes. Historical real returns and expected future inflation are considered as factors in estimating the expected long-term return on these asset classes. The difference between actual investment return and the 7.00% long-term return assumption is amortized over five years. Were the plan to terminate, different assumptions and other factors might be applicable in determining the projected benefit obligation.

The following table sets forth the changes in projected benefit obligations, changes in plan assets, components of net periodic benefit cost and reconciliation of prepaid or accrued pension cost:

	September 30	
	2017	2016
Change in projected benefit obligation:		
Projected benefit obligation at the beginning of the year	$ 69,943,563	$ 65,189,551
Service cost	2,765,070	2,639,475
Interest cost	2,565,913	2,789,685
Distributions	(5,105,791)	(4,658,096)
Assumption changes	(1,949,587)	4,161,202
Experience gain	(629,267)	(178,254)
Projected benefit obligation at the end of the year	$ 67,589,901	$ 69,943,563

8. **Retirement Plans (Continued)**

	September 30	
	2017	2016
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 65,827,416	$ 64,101,215
Actual return on plan assets	6,827,690	6,384,297
Administrative expenses	(451,966)	(216,405)
Benefits paid	(4,653,825)	(4,441,691)
Fair value of plan assets at the end of the year	$ 67,549,315	$ 65,827,416
Funded status	$ (40,586)	$ (4,116,147)
Components of net periodic pension cost:		
Service cost	$ 2,765,070	$ 2,639,475
Interest cost	2,565,913	2,789,685
Expected return on plan assets	(4,531,975)	(4,412,169)
Net prior service cost amortization	19,159	30,050
Amortization of loss	1,356,833	1,260,120
Net periodic pension cost	$ 2,175,000	$ 2,307,161
Reconciliation of net statement of financial position liability:		
Net statement of financial position liability at beginning of year	$ (4,116,147)	$ (1,088,336)
Amount recognized in accumulated other comprehensive liability at end of prior year	21,778,786	21,058,136
Prepaid benefit cost (before adjustment) at end of prior year	17,662,639	19,969,800
Net periodic benefit cost for fiscal year	(2,175,000)	(2,307,161)
Prepaid benefit cost (before adjustment) at end of current year	15,487,639	17,662,639
Amount recognized in accumulated other comprehensive liability at end of current year	(15,528,225)	(21,778,786)
Net statement of financial position liability at end of current year	$ (40,586)	$ (4,116,147)

The accumulated benefit obligation was $64,091,760 and $65,763,822 at September 30, 2017 and 2016, respectively.

8. **Retirement Plans (Continued)**

The PPA legislates funding levels for defined benefit plans that will exceed the Plan's projected benefit obligation within the next seven years. The Hospitals expect to contribute, at a minimum, the required amounts under the PPA into the Plan for the year ending September 30, 2017. There is no expected contribution for 2018. Benefits expected to be paid by the Plan during the ensuing five years and five years thereafter are approximately as follows:

2018	$ 3,588,500
2019	3,384,100
2020	4,368,900
2021	4,691,500
2022	3,892,200
Five year period thereafter	21,912,100

The total unrecognized loss and prior year service cost are $15,493,915 and $34,310 at September 30, 2017. The loss and prior year service cost amount expected to be recognized in net periodic benefit cost in 2018 are as follows:

Actuarial loss	$960,943
Prior service cost	10,901
	$971,844

Pension Plan Assets

The primary investment objective of the Hospitals' Retirement Plan is to provide pension benefits for their members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of plan assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation and providing liquidity as needed for plan benefits. Total annualized return, adjusted for trading costs and management fees, achieved by each investment manager of an actively managed portfolio, is expected to equal or exceed an index comprised of 60% of the Vanguard Index Trust 500 Fund and 40% of the Vanguard Total Bond Market Fund.

The Plan aims to assume a moderate level of risk and a diversified portfolio. The Plan invests in one money market account and three mutual funds at September 30, 2017. A periodic review is performed of the pension plan's investments in various asset classes.

8. Retirement Plans (Continued)

The fair values of the assets at September 30, 2017 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$ 575,947	$ –	$ –	$ 575,947
Mutual funds:				
Index fund - domestic	33,738,458	–	–	33,738,458
Index fund - international	7,781,064	–	–	7,781,064
Index fund - fixed income	25,453,846	–	–	25,453,846
	66,973,368	–	–	66,973,368
Total assets at fair value	$67,549,315	$ –	$ –	$67,549,315

The fair values of the assets at September 30, 2016 are as follows (see note 15 for level definitions):

	Level 1	Level 2	Level 3	Total
Money market fund	$ 634,921	$ –	$ –	$ 634,921
Mutual funds:				
Index fund - domestic	31,906,277	–	–	31,906,277
Index fund - international	7,159,216	–	–	7,159,216
Index fund - fixed income	26,127,002	–	–	26,127,002
	65,192,495	–	–	65,192,495
Total assets at fair value	$65,827,416	$ –	$ –	$65,827,416

9. Leases

The Hospitals have a number of lease agreements with noncancellable terms of more than one year. These include various family health practices and properties leased pursuant to professional service agreements. Leases extend for varying periods and most include renewal options subject to adjustment in the rental amount. Leases that expire are generally expected to be renewed or replaced by other leases, or the Hospitals' owned property will be utilized if available.

The future annual minimum rental payments required under noncancellable operating leases are as follows:

2018	$1,812,027
2019	1,727,008
2020	801,592
2021	802,673
2022	269,698
Thereafter	1,481,304

9. Leases (Continued)

Rent expense for all operating leases including month-to-month rentals for 2017 and 2016 was approximately $1,719,000 and $749,000, respectively.

10. Functional Expenses

The Hospitals provide general healthcare services to residents and vacationing tourists within their geographic area. Expenses, excluding the New Hampshire Medicaid Enhancement Tax, interest expense, depreciation and amortization related to providing these services are as follows:

	September 30	
	2017	2016
Expenses:		
Nursing services	$ 18,277,967	$ 30,426,811
Other professional services	125,861,751	123,347,371
General services	8,669,606	13,790,871
Administrative services	45,702,375	34,652,951
	$198,511,699	$202,218,004

11. Self Insurance

Employee Health Insurance

The Hospitals have a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospitals recognize revenue for services provided to employees of the Hospitals during the year. The Hospitals are insured above a stop-loss amount of $300,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2017 and 2016, have been recorded as a liability of $702,501 and $1,151,261, respectively, and are reflected in the accompanying consolidated statements of financial position within healthcare and other accrued benefits.

Workers' Compensation Trust

The Hospitals self-insure their workers' compensation claims and have established a tax-exempt trust, revocable subject to State law retained funding level restrictions for the payment of workers' compensation settlements. Professional insurance consultants have been engaged to assist the Hospitals with determining funding amounts. The financial position and operations of the Trust have been consolidated with these statements. A stop loss policy is in place to limit liability exposure to $600,000 per occurrence.

11. Self Insurance (Continued)

Losses from asserted claims and from unasserted claims identified under the Hospitals' incident reporting system are accrued as reported based on estimates that incorporate industry past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Accruals for possible losses attributable to incidents that may have occurred but that have not been identified under the incident reporting system have been made based upon industry experience and management's judgment. The Trust's estimate for all claims outstanding was $2,290,000 and $1,655,342 as of September 30, 2017 and 2016, respectively. Assets held in trust to meet such claims amounted to $1,476,176 and $1,984,507 at September 30, 2017 and 2016, respectively.

12. Commitments

In addition to commitments made in the ordinary course of business, the Hospitals have entered into the following agreements:

Participation Agreement Between ACHC and the Hospitals

In conjunction with the formation of ACHC, the Hospitals have entered into a participation agreement with ACHC whereby the Hospitals, as an ACHC member, have agreed to participate in ACHC's agreements with Cerner Corporation (Cerner) and S&P Consultants, Inc. (S&P) and share in 80% of the costs of the services as defined in the Cerner and S&P agreements related to the implementation of an EHR system to provide services to the Hospitals and Speare Memorial Hospital. Speare Memorial Hospital has agreed to participate in 20% of those costs. The Cerner agreement has an initial term of seven years with successive 36-month terms, and the S&P agreement is a continuous agreement. The following schedule reflects the Hospitals' share of future minimum payments to ACHC under the Cerner agreement as of September 30, 2017:

2018	$ 2,312,010
2019	2,312,010
2020	2,472,010
2021	2,472,010
2022	1,854,007
	$11,422,047

Based on the terms of the participation agreement with ACHC, the costs being paid for by the Hospitals are being treated as deferred system development costs and are being expensed over the remaining term of the agreement over the estimated useful life of the assets. Deferred system development costs as of September 30, 2017 and 2016 were $24,570,899 and $18,547,209, respectively. Amounts expensed within purchased services and contracted physicians in the accompanying consolidated statements of operations under this agreement were $3,587,603 in 2017. No amounts were expensed in 2016.

In September 2017, ACHC terminated its agreement with S&P. In August 2017, ACHC entered into a three year agreement with Huntzinger Management Group, Inc. (Huntzinger). The Huntzinger agreement requires monthly payments of $118,000 through July 2020. The Hospitals' anticipated share of total costs under this new agreement is $3,398,400.

12. Commitments (Continued)

Purchased Services

The Hospitals contract for services with various specialty practice healthcare providers. The professional service agreements secure access to providers of obstetric, occupational health, surgical, emergency, integrated multi-specialty and other services for patients in the community. Contract terms vary but all provide for trial periods (which have lapsed) with cancellation clauses followed by longer term commitments with remaining terms ranging from one to three years. These agreements, prepared in accordance with Medicare anti-fraud and abuse laws, include employee lease arrangements, real and personal property leases and individual physician compensation agreements based upon nationally based medical procedure surveys. Consistent with the Hospitals' mission, the physician organizations agree to extend their services to patients without regard to the ability to personally pay and expand coverage areas to all communities served by the Hospitals. The contractual gross obligations, excluding benefits of such arrangements, are projected to be $26.5 million for the year ended September 30, 2017 and similar amounts for subsequent years.

Repurchase Contracts

Repurchase contracts on condominium units within the Laconia medical office building and High Street condominium units obligate the Hospitals to reacquire units which have previously been sold. At September 30, 2017, this commitment amounted to approximately $1.7 million.

13. Net Assets

The Board of Trustees designated a portion of the Hospitals' unrestricted net assets for the following purposes:

	September 30	
	2017	2016
To provide for charity care (Nighswander Fund)	$5,316,075	$5,316,075

Temporarily Restricted Net Assets

Donors contributed assets with the following restrictions. Once donor conditions are satisfied, funds may be disbursed for their specific use.

	September 30	
	2017	2016
Capital improvements	$2,451,111	$3,302,400
Other special purpose funds	1,209,922	817,566
Total temporarily restricted net assets	$3,661,033	$4,119,966

13. Net Assets (Continued)

In 2017 and 2016, the Hospitals released $725,650 and $52,944, respectively, from temporarily restricted net assets for operations and $851,289 and $132,364, respectively, from temporarily restricted net assets for capital improvements.

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors for the following purposes and are to be maintained by the Hospitals in perpetuity. Accordingly, only income and gains may be used for those purposes.

	September 30	
	2017	2016
Charity care	$1,294,034	$1,294,034
General Hospital use	750,699	750,699
Other purposes	155,004	155,004
Total permanently restricted net assets	$2,199,737	$2,199,737

There was no activity related to endowment funds within permanently restricted net assets in 2017 and 2016.

14. Contingencies

Medical Malpractice Claims

Prior to January 1, 2011, the Hospitals were insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. Effective January 1, 2011, the Hospitals insure their medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2017, there were no known malpractice claims outstanding for the Hospitals which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals, except as noted below. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospitals' interest in the captive represents approximately 15% of the captive at September 30, 2017 and 2016, although control of the captive is equally shared by participating hospitals. The Hospitals have recorded their interest in the captive's equity, totaling approximately $1,456,000 at September 30, 2017 and $793,000 at September 30, 2016, in other assets on the accompanying consolidated statements of financial position. Changes in the Hospitals' interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospitals have established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospitals.

14. Contingencies (Continued)

In accordance with ASU No. 2010-24, at September 30, 2017 and 2016, the Hospitals recorded a liability of approximately $2,620,000 and $2,232,000, respectively, related to estimated professional liability losses. At September 30, 2017 and 2016, the Hospitals also recorded a receivable of approximately $2,620,000 and $2,232,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in workers' compensation and other liabilities, and other assets, respectively, on the consolidated statements of financial position.

New Hampshire Medical Malpractice Joint Underwriting Association Settlement

On August 12, 2011, pursuant to a legislative mandate, the New Hampshire Medical Malpractice Joint Underwriting Association (JUA) set aside $85 million of excess surplus funds for return to JUA policyholders. This amount was transferred to the policyholders' claims administrator on November 15, 2012. The JUA also segregated additional funds totaling $25 million pending resolution of certain JUA tax matters which was released in 2013. The entirety of these funds totaling $110 million had been the subject of a dispute between the JUA's policyholders and the state of New Hampshire (the State) with respect to the State's intent to transfer $110 million of JUA excess surplus to the State's general fund. This dispute resulted in a state of New Hampshire Supreme Court ruling in 2011 which held that the State's intended transfer would unconstitutionally impair JUA policyholders' contractual rights. In 2015, the New Hampshire legislature approved in the 2015 session both the ending of the JUA and taking no claim in the remaining assets after liquidation of liabilities. There was an estimate at the time of the legislation of $23 million in liability for the JUA. At December 31, 2014, the JUA had assets of greater than $117 million. Class action litigation was filed in December 2015 to recover the monies in a structure similar to the prior recovery and LRGHealthcare is again a lead plaintiff. Subsequently, net of a payment of $23,156,298 to MedPro on closing of an Assumption Agreement, the JUA's booked liabilities, the return of tail premium, and paid or accrued JUA expenses, the Insurance Commission of the State of New Hampshire (the Receiver) now has custody of liquid assets of the JUA constituting its remaining surplus funds in excess of $87 million. Further, the Receiver and the plaintiffs, through external counsel, negotiated a holdback or reserve of a portion of this surplus to secure or fund, if necessary, any theoretical liability on the Receiver's contractual liabilities, the JUA's one year covenants to MedPro under the Assumption Agreement expiring August 25, 2017 and/or the JUA's final tax returns. This holdback agreement, if approved by the court, permits the Receiver's immediate interpleader of $50 million for distribution to policyholders with the balance of funds to follow in subsequent transfers by the Receiver before the Receiver is finally discharged, in a manner similar to that accomplished in the prior class proceeding. Net of this holdback, therefore, the Receiver has liquid funds the Receiver is submitting forthwith by interpleader to the jurisdiction of this Receiver Court in the amount of $50 million.

15. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of nonperformance risk including the Hospitals' own credit risk.

15. Fair Value Measurements (Continued)

The FASB's codification establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospitals perform a detailed analysis of their assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal year ended September 30, 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years.

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	Level 1	Level 2	Level 3	Total
2017				
Long-term investments:				
Cash and cash equivalents	$ 238,575	$ –	$ –	$ 238,575
Marketable equity securities	1,961	–	–	1,961
	$ 240,536	$ –	$ –	$ 240,536
Assets whose use is limited:				
Cash and cash equivalents	$16,588,135	$ –	$ –	$16,588,135
Mutual funds	2,144,797	–	–	2,144,797
Other	88,236	–	–	88,236
	$18,821,168	$ –	$ –	$18,821,168

15. **Fair Value Measurements (Continued)**

	Level 1	Level 2	Level 3	Total
2016				
Long-term investments:				
Cash and cash equivalents	$ 238,575	$ –	$ –	$ 238,575
Marketable equity securities	1,961	–	–	1,961
	$ 240,536	$ –	$ –	$ 240,536
Assets whose use is limited:				
Cash and cash equivalents	$16,723,592	$ –	$ –	$16,723,592
U.S. Treasury obligations	31,751	–	–	31,751
Mutual funds	2,364,555	–	–	2,364,555
Other	148,876	51,710	–	200,586
	$19,268,774	$51,710	$ –	$19,320,484

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position and statements of operations.

Other financial instruments consist of cash and cash equivalents, patient accounts receivable, other receivables, pledges receivable, accounts payable, estimated third-party payor settlements and long-term debt. The fair value of all financial instruments approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

LRGHealthcare
2018 BOARD OF TRUSTEES

CHAIR
Scott Sullivan

VICE CHAIR
Cynthia Baron

SECRETARY / TREASURER
Golda Schohan

TRUSTEES

William Bald

Scott Clarenbach

James Clements

Robert Evans, MD

Nancy LeRoy

David Pearlman

K. Mark Primeau

Stuart Trachy

MEDICAL STAFF REPRESENTATIVES – EX-OFFICIO BOARD MEMBERS
Vercin Ephrem, MD, President of the Medical Staff

Samuel Aldridge, MD, Vice President of the Medical Staff

Paul Racicot, MD, Past President of the Medical Staff

KEVIN W. DONOVAN, FACHE

Summary of Qualifications:

Proven, health care executive experienced working in environments demanding strong leadership, operations and relationship skills. Confident and poised in interactions with individuals at all levels.

Experience:

LRGHealthcare, Laconia, NH

President and Chief Executive Officer – 2016 to Present

- President and CEO for a $230 million net revenue, not-for-profit health system representing Lakes Region General Hospital (137 bed acute care hospital), Franklin Regional Hospital (35 bed critical access hospital) and over 20 affiliated medical practices and groups.

Mt. Ascutney Hospital and Health Center & Dartmouth-Hitchcock, Windsor, VT

President and Chief Executive Officer – 2010 to 2016

- President and CEO for a $55 million net revenue, health care organization with a 25 bed acute care hospital, 10 bed inpatient acute rehabilitation program, employed provider network, community grant foundation, 46 bed assisted living facility and 25 bed skilled nursing facility.

Elliot Health System, Manchester, NH

Senior Vice President, Clinical Operations – 2008 to 2010

- Served as a member of the senior leadership team of a $400 million net revenue health system with primary responsibility for management of ancillary, inpatient support, outpatient services, ambulatory care, physician/provider practice and regional operations of the health system.

Vice President, Physician Services – 2007 to 2008

- Responsible for ambulatory, physician/provider, and cancer center services of the health system managing areas of responsibility with budgets of $75 million, 400 support staff FTEs, and over 150 physician and provider FTEs.

Dartmouth-Hitchcock, Lebanon, NH

Director, Ambulatory Services – Children's Hospital at Dartmouth (CHaD) – 2002 to 2007

- Directed, managed and led the multi-specialty physician and provider practice of CHaD, including program growth and group practice operations.
- Effectively managed a budget of $17 million for the Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and a $1 million budget for the Dartmouth Medical School.

Senior Practice Manager – Regional Systems Development Group – 2000 to 2002

Practice Manager – Neurosciences – 1999 to 2000

Affiliated Medical Groups, Quincy, MA and Duxbury, MA

Practice Administrator – 1997 to 1999

Northeast Health System, Inc., Beverly, MA

Practice Administrator – 1996 to 1997

Trustees of Health & Hospitals, Inc., Boston, MA

System Administrator – 1993 to 1994
Computer Support Specialist – 1992 to 1993

Education:

The George Washington University, Washington, DC

- Master of Health Services Administration, May 1997
- Completion of a one-year project oriented residency within Northeast Health System.

Syracuse University, Syracuse, NY

- Bachelor of Science, Information Studies, May 1992

References:

- References are available upon request.

MARGARET P. KERNS

SUMMARY of QUALIFICATIONS

Strong management experience with ability to connect with people both internally and externally. Skilled in process improvement and redesign through a strong systems approach to issue resolution. Knowledge of the healthcare market and core competencies allow for implementation of initiatives aligned with strategic direction.

CORE COMPETENCIES

Strategic Orientation	Results Positioning	Collaboration and Influence
Customer Impact	Change Governance	Team Leadership
Risk Management	People/Organizational Development	

PROFESSIONAL EXPERIENCE

LRGHealthcare, Laconia, NH (1992-Present)

- **Vice President, Clinical Services (8/2014-present)**
  Continued responsibility for Clinical Support Services as listed below, added the additional oversight for Emergency Service Providers, Hospitalist Service, Psychiatry, and the departments of Medical Imaging, Laboratory, Rehabilitation, and Cardiology.
- **Vice President, Clinical Support Services (4/2013-8/2014)**
  Responsible for the oversight, management, growth, and coordination of the departments of Quality and Patient Experience, Care Management, Infection Control and Prevention, Pharmacy, Hematology/Oncology, Clinical Nutrition, Food Service.
- **Director, Medical Safety/Pharmacy/Oncology (4/2012 -4/2013)**
  In addition to those responsibilities listed below, added the additional oversight of the Hematology/Oncology Service.
- **Director, Medical Safety/Pharmacy (1/2002 -4/2012)**
  Assumed the increased responsibility to co-direct all aspects of patient safety initiatives for LRGHealthcare including hospital and provider practice areas.
- **Director, Pharmacy Services (10/1995-1/2002)**
  Responsible for the strategic vision, growth, and management of two hospital pharmacies, four anticoagulation clinics, a retail pharmacy, oncology pharmacy satellite, and a pharmaceutical assistance program.
- **Staff Pharmacist. Lakes Region General Hospital, Laconia, NH (3/92-10/95)**

Thomas Jefferson· University Hospital, Philadelphia, Pa

- Pharmacist, Administration/Quality Improvement

EDUCATION/LICENSES/CERTIFICATIONS

University of Rhode Island, *Bachelor of Science:* Pharmacy
Registered Pharmacist
Certified Professional in Patient Safety

CURRICULUM VITAE

PAUL F. RACICOT, MD
October 2018

EDUCATION

6/77	**BA**, Bowdoin College, Brunswick, ME Phi Beta Kappa
6/82	**MD**, University of Massachusetts Medical School, Worcester, MA

POST GRADUATE TRAINING

1982 – 1983	**Internship - Internal Medicine**
1983 – 1985	**Residency - Internal Medicine** Berkshire Medical Center, Pittsfield, Massachusetts (a major teaching hospital of UMass Medical School)
1985	Recipient of "Outstanding Resident Teacher Award"

PRACTICE EXPERIENCE

1985 – 1986	**Emergency Room Physician** (Full Time) Hillcrest Hospital, Pittsfield, MA
1986 – 2006	**Director, Emergency Room Services** **Active Staff** with privileges in **Emergency Medicine** **Courtesy Staff** with privileges in **Internal Medicine** Franklin Regional Hospital, Franklin, NH
1986 – 1992	**Visiting Staff** with privileges in **Emergency Medicine** Lakes Region General Hospital, Laconia, NH
1989 – 1995	**Courtesy Staff** with privileges in **Emergency Medicine** Concord Hospital, Concord, NH Huggins Hospital, Wolfeboro, NH
1989 – Present	**Director, Employee/Occupational Health Department** Franklin Regional Hospital, Franklin, NH
1992 – 2006	**Chief, Emergency Services** **Active Staff** with privileges in **Emergency Medicine** Lakes Region General Hospital, Laconia, NH
1997 – 2014	**President, Central NH ER Associates** 174 Philbrook Road, Sanbornton, NH
2000, 2001, 2002	**NH Top ER Doc 2000, 2001, and 2002** *New Hampshire* magazine
2000 – Present	**Medical Director, Horizons Counseling Service** Village West, Gilford, NH 03249
2002 – 2015	**Chairman, Department of Medicine** LRGHealthcare, Laconia, NH
2006 – 2011	**Assistant Director ER Services** Lakes Region General Hospital

Franklin Regional Hospital

2009 – Present	**Clinical Coordinator, 3rd Year Medical Students** LRGHealthcare, Laconia, NH
2010 – Present	**Regional Clinical Dean UNE Medical School,** Biddeford, ME
2015 – 2017	**President of the Medical Staff of LRGHealthcare** Lakes Region General Hospital Franklin Regional Hospital
2017 – Present	**Past President of the Medical Staff of LRGHealthcare**
2015 – Present	**Medical Director Recovery Clinic, LRGHealthcare**

CERTIFICATIONS

09/11/85	**American Board of Internal Medicine**
12/08/89	**American Board of Emergency Medicine**
12/98 – Present	**Certified Medical Review Officer**

TRUSTEE

1988 – 1994	**New Hampshire Hospital Association** 125 Airport Road, Concord, NH
1991 – 2002	**Franklin Regional Hospital** 15 Aiken Avenue, Franklin, NH
2009 – Present	**LRGHealthcare** 80 Highland Street, Laconia, NH

MEMBERSHIP

1986 – Present	**Member, New Hampshire Medical Society**
1995 – 1997	**Member, New Hampshire Board of Medicine**
1997 – Present	**Member, American College of ER Physicians**
2013 – Present	**Treasurer, New Hampshire Medical Society**

REFERENCES

Personal and professional references provided on request

Corey E. Gately

Education

Springfield College School for Human Services, Manchester, NH
Master's of Science in Human Services, concentration in Community Psychology
Graduated May 1995
GPA: 3.9

Keene State College, Keene, NH
Bachelor of Arts in Psychology and Sociology
Associate's in Chemical Dependency
Psychology Honor Society
Graduated May 1993

Experience

January 2018 – present
Plymouth State University
Teaching Lecturer

May 2015 – present
Lakes Region General Healthcare Recovery Clinic – Laconia, NH
Clinical Program Coordinator
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

September 2012 – May 2015
Horizons Counseling Center, Gilford, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

June 2001 - August 2012
Lakes Region General Healthcare, Laconia, NH
Intensive Outpatient Substance Abuse Counselor
Master's Licensed Alcohol and Drug Counselor
DOT Substance Abuse Professional

Current Activities

Franklin Mayor's Task Force
Gilford Together Committee Member
St. Baldrick's Committee Member
Gilford School District Parent Volunteer

NAADAC Member and NHADACA Member
2011 New Hampshire 40 under 40 Award
2012 NHADACA Counselor of the Year
2016 Leadership Lakes Region Participant

LRGHealthcare

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kevin W. Donovan	President and CEO	$425,000	0	0
Marge Kerns	VP Clinical Services	$210,000	0	0
Paul Racicot, MD	Medical Director	$247,000	10%	$24,700.00
Corey Gately	Clinical Program Coordinator	$68,078.4	50%	$34,039.02

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-04)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Mary Hitchcock Memorial Hospital		1.4 Contractor Address One Medical Center Dr, Lebanon, NH, 03756	
1.5 Contractor Phone Number (603) 650-5000	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,543,788
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Edward Merrens Chief Clinical Officer	

1.13 Acknowledgement: State of New Hampshire County of Grafton

On October 18, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal] MY COMMISSION EXPIRES APRIL 19, 2022 NEW HAMPSHIRE NOTARY PUBLIC

1.13.2 Name and Title of Notary or Justice of the Peace

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: Megan A. Cole Atty 10/19/18

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials
Date 10/18/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.
The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

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14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials
Date 10/18/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Lebanon Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Lebanon Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Exhibit B

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Bidder/Program Name: Mary Hitchcock Memorial Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2018)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 318,930	$ 93,446	$ 412,376	$ -	$ -	$ -	$ 318,930	$ 93,446	$ 412,376
2. Employee Benefits	$ 92,157	$ 27,002	$ 119,159	$ -	$ -	$ -	$ 92,157	$ 27,002	$ 119,159
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ 15,080	$ 4,416	$ 19,496	$ -	$ -	$ -	$ 15,080	$ 4,416	$ 19,496
Office	$ 16,000	$ 4,666	$ 20,666	$ -	$ -	$ -	$ 16,000	$ 4,666	$ 20,666
6. Travel	$ 5,000	$ 1,465	$ 6,465	$ -	$ -	$ -	$ 5,000	$ 1,465	$ 6,465
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ 2,400	$ 703	$ 3,103	$ -	$ -	$ -	$ 2,400	$ 703	$ 3,103
Postage	$ 500	$ 147	$ 647	$ -	$ -	$ -	$ 500	$ 147	$ 647
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 10,000	$ 2,930	$ 12,930	$ -	$ -	$ -	$ 10,000	$ 2,930	$ 12,930
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ 10,000	$ 2,930	$ 12,930	$ -	$ -	$ -	$ 10,000	$ 2,930	$ 12,930
11. Staff Education and Training	$ 15,000	$ 4,395	$ 19,395	$ -	$ -	$ -	$ 15,000	$ 4,395	$ 19,395
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Flex Funds	$ 50,000	$ 14,650	$ 64,650	$ -	$ -	$ -	$ 50,000	$ 14,650	$ 64,650
Naloxone	$ 30,000	$ 8,790	$ 38,790	$ -	$ -	$ -	$ 30,000	$ 8,790	$ 38,790
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 565,067	$ 165,565	$ 730,632	$ -	$ -	$ -	$ 565,067	$ 165,565	$ 730,632

Indirect As A Percent of Direct: 29.3%

Contractor Initials

Date 10/18/18

New Hampshire Department of Health and Human Services

Bidder/Program Name: Mary Hitchcock Memorial Hospital

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 397,997	$ 116,613	$ 514,610	$ -	$ -	$ -	$ 397,997	$ 116,613	$ 514,610
2. Employee Benefits	$ 111,853	$ 32,773	$ 144,626	$ -	$ -	$ -	$ 111,853	$ 32,773	$ 144,626
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Medical	$ 7,540	$ 2,209	$ 9,749	$ -	$ -	$ -	$ 7,540	$ 2,209	$ 9,749
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Travel	$ 500	$ 147	$ 647	$ -	$ -	$ -	$ 500	$ 147	$ 647
7. Occupancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10. Marketing/Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11. Staff Education and Training	$ 1,000	$ 293	$ 1,293	$ -	$ -	$ -	$ 1,000	$ 293	$ 1,293
12. Subcontracts/Agreements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
flex funds	$ 50,000	$ 14,650	$ 64,650	$ -	$ -	$ -	$ 50,000	$ 14,650	$ 64,650
naloxone	$ 60,000	$ 17,580	$ 77,580	$ -	$ -	$ -	$ 60,000	$ 17,580	$ 77,580
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 628,891	$ 184,265	$ 813,156	$ -	$ -	$ -	$ 628,891	$ 184,265	$ 813,156
Indirect As A Percent of Direct		29.3%							

Contractor Initials

Date 10/18/18

DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

26 Federal Plaza, Room 41-122
New York, NY 10278
PHONE: (212) 264-2069
EMAIL: CAS-NY@psc.hhs.gov

June 23, 2015

Ms. Tina B. Naimie
Vice President-Corporate Finance
Mary Hitchcock Memorial Hospital
One Medical Center Drive
Lebanon, New Hampshire 03756-0001

Dear Ms. Naimie:

A copy of an indirect cost rate agreement is being sent to you for signature. This agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indireet costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement should be emailed to CAS-NY@psc.hhs.gov, while retaining a copy for your files. We will reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use only when the signed agreement is returned.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 6/30/2017 is due in our office by 12/31/2017. Please submit your next proposal electronically via email to CAS-NY@psc.hhs.gov.

Sincerely,
Darryl W. Mayes -S

Darryl W. Mayes
Deputy Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

HOSPITALS RATE AGREEMENT

EIN: 1020222140A1

ORGANIZATION:
Dartmouth-Hitchcock
Mary Hitchcock Memorial Hospital
One Medical Center Drive
Lebanon, NH 03756-

DATE:06/23/2015

FILING REF.: The preceding agreement was dated 03/27/2014

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
PRED.	07/01/2015	06/30/2018	29.30	On-Site	Other Sponsored Programs
PROV.	07/01/2018	06/30/2020	29.30	On-Site	Other Sponsored Programs

*BASE

Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), that portion of each subaward in excess of $25,000; hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student tuition remission and student support costs (e,g., student aid, stipends, dependency allowances, scholarships, fellowships).

ORGANIZATION: Dartmouth-Hitchcock

AGREEMENT DATE: 6/23/2015

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe Benefits applicable to direct salaries and wages are treated as direct costs.

TREATMENT OF PAID ABSENCES

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.

Equipment means an article of nonexpendable, tangible person property having a useful life of more than two years, and an acquisition cost of $2,000 or more per unit.

Your next proposal based upon fiscal year ending 6/30/17 is due by 12/31/17.

ORGANIZATION: Dartmouth-Hitchcock

AGREEMENT DATE: 6/23/2015

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the cost principles promulgated by the Department of Health and Human Services, and should be applied to the grants, contracts and other agreements covered by these regulations subject to any limitations in A above. The hospital may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Dartmouth-Hitchcock
Mary Hitchcock Memorial Hospital
(INSTITUTION)

(SIGNATURE)

Robin Kilfeather-Mackey
(NAME)

Chief Financial Officer
(TITLE)

7/15/15
(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
(AGENCY)

Darryl W. Mayes -S
(SIGNATURE)

Darryl W. Mayes
(NAME)

Deputy Director, Cost Allocation Services
(TITLE)

6/23/2015
(DATE) 1324

HHS REPRESENTATIVE: Louis Martillotti

Telephone: (212) 264-2069

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

10/18/18
Date

Contractor Name:
Name:
Title:

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/18/2018
Date

Name:
Title:

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/18/18
Date

Name:
Title:

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/18/2018
Date

Name:
Title:

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/18/2018
Date

Name:
Title:

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

Contractor Initials EM

Date 10/18/18

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

10/18/2018
Date

Contractor Name:
Edward J Memers
Name:
Title:

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 069910297

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ✓ NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MARY HITCHCOCK MEMORIAL HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 07, 1889. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **68517**

Certificate Number: **0004142292**

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 25th day of July A.D. 2018.

William M. Gardner

Secretary of State

Dartmouth-Hitchcock
Dartmouth-Hitchcock Medical Center
1 Medical Center Drive
Lebanon, NH 03756
Dartmouth-Hitchcock.org

CERTIFICATE OF VOTE/AUTHORITY

I, Anne-Lee Verville, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital, do hereby certify that:

1. I am the duly elected Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital;
2. The following is a true and accurate excerpt from the December 7th, 2012 Bylaws of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital:

   ARTICLE I – Section A. Fiduciary Duty. Stewardship over Corporate Assets

   "In exercising this [fiduciary] duty, the Board may, consistent with the Corporation's Articles of Agreement and these Bylaws, delegate authority to the Board of Governors, Board Committees and various officers the right to give input with respect to issues and strategies, incur indebtedness, make expenditures, enter into contracts and agreements and take such other binding actions on behalf of the Corporation as may be necessary or desirable."
3. Article I – Section A, as referenced above, provides authority for the chief officers, including the Chief Executive Officer, the Chief Clinical Officer, and other officers, of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital to sign and deliver, either individually or collectively, on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.
4. Edward J. Merrens, MD is the Chief Clinical Officer of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital and therefore has the authority to enter into contracts and agreements on behalf of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital.

IN WITNESS WHEREOF, I have hereunto set my hand as the Chair of the Board of Trustees of Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital this 18th day of October 2018.

Anne-Lee Verville, Board Chair

STATE OF NH

COUNTY OF GRAFTON

The foregoing instrument was acknowledged before me this 18th day of October, 2018 by Anne-Lee Verville.

Notary Public
My Commission Expires: 9-21-2021

FAITH E. JOHNSTON
MY COMMISSION EXPIRES SEPT. 21, 2021
NOTARY PUBLIC NEW HAMPSHIRE

CERTIFICATE OF INSURANCE

DATE: 10/09/2018

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Mary Hitchcock Memorial Hospital – DH-H
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

This is to certify that the Policy listed below has been issued to the Named Insured above for the Policy Period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY		0002018-A	07/01/2018	06/30/2019	EACH OCCURRENCE	$1,000,000
					PRODUCTS-COMP/OP AGGREGATE	
X	CLAIMS MADE				PERSONAL ADV INJURY	
					GENERAL AGGREGATE	$3,000,000
	OCCURRENCE				FIRE DAMAGE	
OTHER					MEDICAL EXPENSES	
PROFESSIONAL LIABILITY		0002018-A	07/01/2018	06/30/2019	EACH CLAIM	$1,000,000
X	CLAIMS MADE				ANNUAL AGGREGATE	$3,000,000
	OCCURENCE					
OTHER						

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

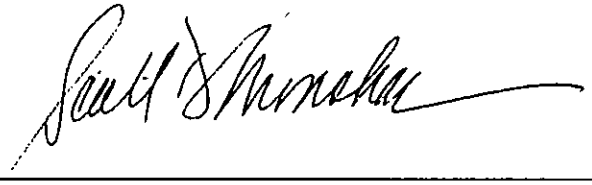
Certificate of Insurance issued as evidence of insurance for the development and operation of a substance use disorder treatment and recovery facility known as the "Dartmouth Hub."

CERTIFICATE HOLDER

NH Dept. of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



DARTHIT-01 DMCDONALD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/19/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 100 Central Street, Suite 201 Holliston, MA 01746	CONTACT NAME: Dan McDonald PHONE (A/C, No, Ext): (508) 808-7293 FAX (A/C, No): (866) 235-7129 E-MAIL ADDRESS: dan.mcdonald@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Safety National Casualty Corporation — 15105
INSURED Dartmouth-Hitchcock Health 1 Medical Center Dr. Lebanon, NH 03756	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			AGC4059104	07/01/2018	07/01/2019	X PER STATUTE ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ N/A						E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Workers Compensation coverage for Mary Hitchcock Memorial Hospital

CERTIFICATE HOLDER	CANCELLATION
NH DHHS 129 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

Dartmouth-Hitchcock

Mission, Vision, & Values

Our Mission

We advance health through research, education, clinical practice, and community partnerships, providing each person the best care, in the right place, at the right time, every time.

Our Vision

Achieve the healthiest population possible, leading the transformation of health care in our region and setting the standard for our nation.

Values

- Respect
- Integrity
- Commitment
- Transparency
- Trust
- Teamwork
- Stewardship
- Community

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Financial Statements
June 30, 2017 and 2016

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2017 and 2016

Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock Health and Subsidiaries

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Alice Peck Day Hospital, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 2.8% of consolidated total assets at June 30, 2017, and total revenues of 3.3% of consolidated total revenues for the year then ended. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 8.8% of consolidated total assets at June 30, 2016, and total revenues of 9.2% of consolidated total revenues for the year then ended. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Alice Peck Day Hospital as of and for the year ended June 30, 2017 and The Cheshire Medical Center as of and for the year ended June 30, 2016, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Health System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the

overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System as of June 30, 2017 and 2016, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 17, 2017

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 68,498	$ 40,592
Patient accounts receivable, net of estimated uncollectibles of $121,340 and $118,403 at June 30, 2017 and 2016 (Note 4)	237,260	260,988
Prepaid expenses and other current assets	89,203	95,820
Total current assets	394,961	397,400
Assets limited as to use (Notes 5 and 7)	662,323	592,468
Other investments for restricted activities (Notes 5 and 7)	124,529	142,036
Property, plant, and equipment, net (Note 6)	609,975	612,564
Other assets	97,120	87,266
Total assets	$ 1,888,908	$ 1,831,734
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 18,357	$ 18,307
Line of credit (Note 13)	-	36,550
Current portion of liability for pension and other postretirement plan benefits (Note 11)	3,220	3,176
Accounts payable and accrued expenses (Note 13)	89,160	107,544
Accrued compensation and related benefits	114,911	103,554
Estimated third-party settlements (Note 4)	27,433	19,650
Total current liabilities	253,081	288,781
Long-term debt, excluding current portion (Note 10)	616,403	625,341
Insurance deposits and related liabilities (Note 12)	50,960	56,887
Interest rate swaps (Notes 7 and 10)	20,916	28,917
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	282,971	272,493
Other liabilities	90,548	69,811
Total liabilities	1,314,879	1,342,230
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)		
Net assets		
Unrestricted (Note 9)	424,947	360,183
Temporarily restricted (Notes 8 and 9)	94,917	75,731
Permanently restricted (Notes 8 and 9)	54,165	53,590
Total net assets	574,029	489,504
Total liabilities and net assets	$ 1,888,908	$ 1,831,734

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted revenue and other support		
Net patient service revenue, net of contractual allowances and discounts	$ 1,859,192	$ 1,689,275
Provision for bad debts	63,645	55,121
Net patient service revenue less provision for bad debts	1,795,547	1,634,154
Contracted revenue (Note 2)	43,671	65,982
Other operating revenue (Note 2 and 5)	119,177	82,352
Net assets released from restrictions	11,122	9,219
Total unrestricted revenue and other support	1,969,517	1,791,707
Operating expenses		
Salaries	966,352	872,465
Employee benefits	244,855	234,407
Medical supplies and medications	306,080	309,814
Purchased services and other	289,805	255,141
Medicaid enhancement tax (Note 4)	65,069	58,565
Depreciation and amortization	84,562	80,994
Interest (Note 10)	19,838	19,301
Total operating expenses	1,976,561	1,830,687
Operating loss	(7,044)	(38,980)
Nonoperating gains (losses)		
Investment gains (losses) (Notes 5 and 10)	51,056	(20,103)
Other losses	(4,153)	(3,845)
Contribution revenue from acquisition (Note 3)	20,215	18,083
Total nonoperating gains (losses), net	67,118	(5,865)
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted net assets		
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)
Net assets released from restrictions	1,839	3,248
Change in funded status of pension and other postretirement benefits (Note 11)	(1,587)	(66,541)
Other changes in net assets	(3,364)	-
Change in fair value of interest rate swaps (Note 10)	7,802	(5,873)
Increase (decrease) in unrestricted net assets	64,764	(114,011)
Temporarily restricted net assets		
Gifts, bequests, sponsored activities	26,592	12,227
Investment gains	1,677	518
Change in net unrealized gains on investments	3,775	(1,674)
Net assets released from restrictions	(12,961)	(12,467)
Contribution of temporarily restricted net assets from acquisition	103	670
Increase (decrease) in temporarily restricted net assets	19,186	(726)
Permanently restricted net assets		
Gifts and bequests	300	699
Investment gains (losses) in beneficial interest in trust	245	(219)
Contribution of permanently restricted net assets from acquisition	30	29
Increase in permanently restricted net assets	575	509
Change in net assets	84,525	(114,228)
Net assets		
Beginning of year	489,504	603,732
End of year	$ 574,029	$ 489,504

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Cash flows from operating activities		
Change in net assets	$ 84,525	$ (114,228)
Adjustments to reconcile change in net assets to net cash (used) provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	(8,001)	4,177
Provision for bad debt	63,645	55,121
Depreciation and amortization	84,711	81,138
Contribution revenue from acquisition	(20,348)	(18,782)
Change in funded status of pension and other postretirement benefits	1,587	66,541
Loss on disposal of fixed assets	1,703	2,895
Net realized (gain) losses and change in net unrealized (gain) losses on investments	(57,255)	27,573
Restricted contributions and investment earnings	(4,374)	(4,301)
Proceeds from sales of securities	809	496
Loss from debt defeasance	381	-
Changes in assets and liabilities		
Patient accounts receivable, net	(35,811)	(101,567)
Prepaid expenses and other current assets	7,386	4,767
Other assets, net	(8,934)	2,188
Accounts payable and accrued expenses	(17,820)	(23,668)
Accrued compensation and related benefits	10,349	5,343
Estimated third-party settlements	7,783	(3,652)
Insurance deposits and related liabilities	(5,927)	(14,589)
Liability for pension and other postretirement benefits	8,935	15,599
Other liabilities	11,431	2,109
Net cash provided (used) by operating and nonoperating activities	124,775	(12,840)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(77,361)	(73,021)
Proceeds from sale of property, plant, and equipment	1,087	612
Purchases of investments	(259,201)	(67,117)
Proceeds from maturities and sales of investments	276,934	66,105
Cash received through acquisition	3,564	12,619
Net cash used by investing activities	(54,977)	(60,802)
Cash flows from financing activities		
Proceeds from line of credit	65,000	140,600
Payments on line of credit	(101,550)	(105,250)
Repayment of long-term debt	(48,506)	(104,343)
Proceeds from issuance of debt	39,064	140,031
Payment of debt issuance costs	(274)	(14)
Restricted contributions and investment earnings	4,374	4,301
Net cash (used) provided by financing activities	(41,892)	75,325
Increase in cash and cash equivalents	27,906	1,683
Cash and cash equivalents		
Beginning of year	40,592	38,909
End of year	$ 68,498	$ 40,592
Supplemental cash flow information		
Interest paid	$ 23,407	$ 22,298
Asset depreciation due to affiliations	-	(960)
Net assets acquired as part of acquisition, net of cash aquired	16,784	6,163
Building construction in process financed by a third party	8,426	-
Construction in progress included in accounts payable and accrued expenses	14,669	16,427
Equipment acquired through issuance of capital lease obligations	-	2,001
Donated securities	809	688

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC), The Cheshire Medical Center (Cheshire), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse & Hospice for VT and NH (VNH).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

The Health System currently operates one tertiary, one community and three acute care (critical access) hospitals in New Hampshire (NH) and Vermont (VT). One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Health System also operates multiple physician practices, a nursing home and a home health and hospice service. The Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, MHMH, DHC, NLH, Cheshire, and APD are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC and VNH are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2017 includes a full year of operations of D-HH, D-H, NLH, MAHHC, Cheshire, APD and VNH. Fiscal year 2016 includes a full year of operations of D-HH, D-H, NLH, MAHHC and Cheshire, four months of operations of APD and no activity for VNH.

Community Benefits

The mission of the Health System is to advance health through clinical practice and community partnerships, research and education, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

The Health System files annual Community Benefits Reports with the State of NH which outlines the community and charitable benefits it provides. VT hospitals are not required by law to file a state community benefit report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community health services* include activities carried out to improve community health and could include community health education (such as lectures, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available to participate unless the responsibility was assumed by the government.

- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.

- *Community health-related initiatives* occur outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.

- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. Community benefit operations includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2017 and 2016, the Health System provided financial assistance to patients in the amount of approximately $29,934,000 and $30,637,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2017 and 2016 was approximately $12,173,000 and $12,257,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.

- *Government-sponsored healthcare services* are provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.

- *The uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2016 was approximately $124,371,000. The 2017 Community Benefits Reports are expected to be filed in February 2018.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2016:

(Unaudited, in thousands of dollars)

Government-sponsored healthcare services	$	281,014
Health professional education		32,561
Subsidized health services		25,846
Charity care		10,769
Community health services		5,701
Research		3,417
Financial contributions		1,792
Community building activities		1,789
Community benefit operations		1,107
Total community benefit value	$	363,996

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2017 and 2016, the Health System reported a provision for bad debt expense of approximately $63,645,000 and $55,121,000, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts and contractual allowances, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

Excess (Deficiency) of Revenue over Expenses
The consolidated statements of operations and changes in net assets include the excess (deficiency) of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from the excess (deficiency) of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care and Provision for Bad Debts
The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue
The Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/comingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess (deficiency) of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess (deficiency) of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheet dates on a nondistressed basis.

Certain affiliates of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and restricted assets were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on unrestricted investments, change in value of equity method investments, interest, and dividends) are included in the excess (deficiency) of revenue over expenses and classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments
The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.
Level 2	Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.
Level 3	Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment

Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

Gifts of capital assets such as land, buildings, or equipment are reported as unrestricted support, and excluded from the excess (deficiency) of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of capital assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire capital assets are reported as restricted support. Absent explicit donor stipulations about how long those capital assets must be maintained, expirations of donor restrictions are reported when the donated or acquired capital assets are placed in service.

Bond Issuance Costs

Bond issuance costs, classified on the consolidated balance sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Trade Names
The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Health System has recorded $2,700,000 as intangible assets associated with its affiliations as of June 30, 2017 and 2016. There were no impairment charges recorded for the years ended June 30, 2017 and 2016.

Derivative Instruments and Hedging Activities
The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which require that all derivative instruments be recorded at their respective fair values in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets, specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess (deficiency) of revenue over expenses in the consolidated statements of operations and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess (deficiency) of revenue over expenses.

Gifts and Bequests
Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09 - *Revenue from Contracts with Customers* at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance in accordance with accounting principles generally accepted in the United States of America and international accounting standards. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. Qualitative and quantitative disclosures will be required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The original standard was effective for fiscal years beginning after December 15, 2016; however, in July 2015, the FASB approved a one-year deferral of this standard, with a new effective date for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System. The Health System is evaluating the impact this will have on the consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03 - *Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which requires all costs incurred to issue debt to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability. The Health System implemented the new standard during the year ended June 30, 2017 and reclassified $3,933,000 as of June 30, 2016, to conform to the 2017 presentation.

In February 2016, the FASB issued ASU 2016-02 - *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for the Health System. Early adoption is permitted once ASU 2014-09 has been adopted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01- *Recognition and Measurement of Financial Assets and Financial Liabilities*, which address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This guidance allows an entity to choose, investment-by-investment, to report an equity investment that neither has a readily determinable fair value, nor qualifies for the practical expedient for fair value estimation using NAV, at its cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issue. Impairment of such investments must be assessed qualitatively at each reporting period. Entities must disclose their financial assets and liabilities by measurement category and form of asset either on the face of the balance sheet or in the accompanying notes. The ASU is effective for annual reporting periods beginning after December 15, 2018 or fiscal year 2020 for the Health System. The provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) may be early adopted. The Health System implemented this aspect of the new standard during the year ended June 30, 2017.

In August 2016, the FASB issued ASU 2016-14 - *Presentation of Financial Statements for Not-for-Profit Entities*, which makes targeted changes to the not-for-profit financial reporting model. Under the new ASU, net asset reporting will be streamlined and clarified. The existing three-category classification of net assets will be replaced with a simplified model that combines temporarily

restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. Not-for-profits will continue to have flexibility to decide whether to report an operating subtotal and if so, to self-define what is included or excluded. However, transparent disclosure must be provided if the operating subtotal includes internal transfers made by the governing board. The ASU also imposes several new requirements related to reporting expenses, including providing information about expenses by their natural classification. The ASU is effective for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System and early adoption is permitted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

Reclassifications
Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

3. Acquisitions

Effective July 1, 2016, D-HH became the sole corporate member of VNH through an affiliation agreement. VNH is a not-for-profit corporation organized in VT providing home health, hospice and community based services to residents of NH and VT.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately $20,348,000, reflecting the fair value of the contributed net assets of VNH, on the transaction date. Of this amount $20,215,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statement of operations. Restricted contribution income of $103,000 and $30,000 was recorded within temporarily and permanently restricted net assets, respectively in the accompanying consolidated statement of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs were expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by VNH at July 1, 2016 were as follows:

(in thousands of dollars)

Assets		
Cash and cash equivalents	$	3,564
Patient accounts receivable, net		4,107
Property, plant, and equipment, net		436
Other assets		15,323
Total assets acquired	$	23,430
Liabilities		
Accounts payable and accrued expenses	$	1,194
Accrued compensation and related benefits		1,008
Other liabilities		880
Total liabilities assumed		3,082
Net Assets		
Unrestricted		20,215
Temporarily restricted		103
Permanently restricted		30
Total net assets		20,348
Total liabilities and net assets	$	23,430

A summary of the financial results of VNH included in the consolidated statement of operations and changes in net assets for the period from the date of acquisition (July 1, 2016) through June 30, 2017 is as follows:

(in thousands of dollars)

Total operating revenues	$	22,964
Total operating expenses		22,707
Operating gain		257
Nonoperating gains		2,604
Excess of revenue over expenses		2,861
Net assets transferred to affiliate		20,348
Changes in temporarily and permanently restricted net assets		(103)
Increase in net assets	$	23,106

A summary of the consolidated financial results of the Health System for the year ended June 30, 2016 as if the transaction had occurred on July 1, 2015 are as follows (unaudited):

(in thousands of dollars)

Total operating revenues	$ 1,813,935
Total operating expenses	1,852,896
Operating loss	(38,961)
Nonoperating gains	(5,953)
(Deficiency) of revenue over expenses	(44,914)
Net assets released from restriction used for capital purchases	3,248
Change in funded status of pension and other post retirement benefits	(66,541)
Other changes in net assets	-
Change in fair value on interest rate swaps	(5,873)
(Decrease) increase in unrestricted net assets	$ (114,080)

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Gross patient service revenue	$ 4,865,332	$ 4,426,305
Less: Contractual allowances	3,006,140	2,737,030
Provision for bad debt	63,645	55,121
Net patient service revenue	$ 1,795,547	$ 1,634,154

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Receivables		
Patients	$ 90,786	$ 126,320
Third-party payors	263,240	244,716
Nonpatient	4,574	8,355
	$ 358,600	$ 379,391

The allowance for estimated uncollectibles is $121,340,000 and $118,403,000 as of June 30, 2017 and 2016.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2017 and 2016:

	2017	2016
Medicare	43 %	42 %
Anthem/blue cross	18	19
Commercial insurance	20	22
Medicaid	13	14
Self-pay/other	6	3
	100 %	100 %

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2017 and 2016 with major third-party payors follows:

Medicare
The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandated modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% (subject to sequestration of 2%) of reasonable costs for its inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. Medicare reimburses nursing home and rehabilitation services based on an acuity driven prospective payment system with no retrospective settlement.

Medicaid
The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2017 and 2016, the Health System recorded State of NH Medicaid Enhancement Tax (MET) and State of VT Provider Tax of $65,069,000 and $58,565,000, respectively. The taxes are calculated at 5.4% for NH and 6% for VT of certain net patient revenues in accordance with instructions received from the States. The provider taxes are included in operating expenses in the consolidated statements of operations and changes in net assets.

During fiscal year 2016, Vermont state legislation passed changes to the tax base for home health providers from 19.30% of core home health care services (primarily Medicaid services) with a cap of 6% of net patient service revenue to 3.63% of net patient revenue for fiscal year 2017 and fiscal year 2018. Home health provider tax paid, which is included in other operating expenses, was $645,000 and $528,000 in 2017 and 2016, respectively.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax "SB 369". As part of the agreement the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the Medicaid Enhancement Tax Agreement effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2017 and 2016, the Health System received disproportionate share hospital (DSH) payments of approximately $59,473,000 and $56,718,000, respectively which is included in net patient service revenue in the consolidated statement of operations and changes in net assets.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers. The Health System has recognized other revenue of $1,156,000 and $2,330,000 in meaningful use incentives for both the Medicare and VT Medicaid programs during the years ended June 30, 2017 and 2016, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other
For services provided to patients with commercial insurance, the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2011 - 2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2017 and 2016, changes in prior estimates related to the Health System's settlements with third-party payors resulted in increases (decreases) in net patient service revenue of $2,000,000 and $(859,000) respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2017 and 2016 is set forth in the following table:

(in thousands of dollars)	2017	2016
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 9,923	$ 12,915
U.S. government securities	44,835	33,578
Domestic corporate debt securities	100,953	65,610
Global debt securities	105,920	119,385
Domestic equities	129,548	100,009
International equities	95,167	61,768
Emerging markets equities	33,893	34,282
Real Estate Investment Trust	791	432
Private equity funds	39,699	33,209
Hedge funds	30,448	52,337
	591,177	513,525
Investments held by captive insurance companies (Note 12)		
U.S. government securities	18,814	22,484
Domestic corporate debt securities	21,681	29,123
Global debt securities	5,707	5,655
Domestic equities	9,048	7,830
International equities	13,888	11,901
	69,138	76,993
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	2,008	1,950
Total assets limited as to use	$ 662,323	$ 592,468

(in thousands of dollars)	2017	2016
Other investments for restricted activities		
Cash and short-term investments	$ 5,467	$ 12,219
U.S. government securities	28,096	21,351
Domestic corporate debt securities	27,762	33,203
Global debt securities	14,560	20,808
Domestic equities	18,451	19,215
International equities	15,499	13,986
Emerging markets equities	3,249	4,887
Real Estate Investment Trust	790	470
Private equity funds	3,949	4,780
Hedge funds	6,676	11,087
Other	30	30
Total other investments for restricted activities	$ 124,529	$ 142,036

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used when debt securities or equity securities are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a nondistressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2017 and 2016. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

(in thousands of dollars)	2017		
	Fair Value	Equity	Total
Cash and short-term investments	$ 17,398	$ -	$ 17,398
U.S. government securities	91,745	-	91,745
Domestic corporate debt securities	121,631	28,765	150,396
Global debt securities	45,660	80,527	126,187
Domestic equities	144,618	12,429	157,047
International equities	29,910	94,644	124,554
Emerging markets equities	1,226	35,916	37,142
Real Estate Investment Trust	128	1,453	1,581
Private equity funds	-	43,648	43,648
Hedge funds	-	37,124	37,124
Other	30	-	30
	$ 452,346	$ 334,506	$ 786,852

(in thousands of dollars)	2016 Fair Value	2016 Equity	2016 Total
Cash and short-term investments	$ 27,084	$ -	$ 27,084
U.S. government securities	77,413	-	77,413
Domestic corporate debt securities	101,271	26,665	127,936
Global debt securities	40,356	105,492	145,848
Domestic equities	115,082	11,972	127,054
International equities	23,271	64,384	87,655
Emerging markets equities	331	38,838	39,169
Real estate investment trust	20	882	902
Private equity funds	-	37,989	37,989
Hedge funds	-	63,424	63,424
Other	30	-	30
	$ 384,858	$ 349,646	$ 734,504

Investment income (losses) is comprised of the following for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Unrestricted		
Interest and dividend income, net	$ 4,418	$ 5,088
Net realized gains (losses) on sales of securities	16,868	(1,223)
Change in net unrealized gains on investments	30,809	(22,980)
	52,095	(19,115)
Temporarily restricted		
Interest and dividend income, net	1,394	536
Net realized gains (losses) on sales of securities	283	(18)
Change in net unrealized gains on investments	3,775	(1,674)
	5,452	(1,156)
Permanently restricted		
Change in net unrealized gains (losses) on beneficial interest in trust	245	(219)
	245	(219)
	$ 57,792	$ (20,490)

For the years ended June 30, 2017 and 2016 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $1,039,000 and $988,000 and as nonoperating gains (losses) of approximately $51,056,000 and ($20,103,000), respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2017 and 2016, the Health System has committed to contribute approximately $119,719,000 and

$116,851,000 to such funds, of which the Health System has contributed approximately $81,982,000 and $80,019,000 and has outstanding commitments of $37,737,000 and $36,832,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Land	$ 38,058	$ 33,004
Land improvements	37,579	36,899
Buildings and improvements	818,831	801,840
Equipment	766,667	744,443
Equipment under capital leases	20,495	20,823
	1,681,630	1,637,009
Less: Accumulated depreciation and amortization	1,101,058	1,046,617
Total depreciable assets, net	580,572	590,392
Construction in progress	29,403	22,172
	$ 609,975	$ 612,564

As of June 30, 2017 construction in progress primarily consists of the construction of the Hospice & Palliative Care Center and APD's medical office building, both in Lebanon, NH. The estimated cost to complete these projects at June 30, 2017 is $7,335,000 and $9,381,000, respectively.

The construction in progress for the Borwell building reported as of June 30, 2016 was completed during the first quarter of fiscal year 2017 and the building addition for New London at the Newport Health Center was completed in the second quarter of fiscal year 2017.

Depreciation and amortization expense included in operating and nonoperating activities was approximately $84,711,000 and $81,138,000 for 2017 and 2016, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and Short-Term Investments
Consists of money market funds and are valued at net asset value (NAV) reported by the financial institution.

Domestic, Emerging Markets and International Equities
Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. Government Securities, Domestic Corporate and Global Debt Securities
Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

Interest Rate Swaps
The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 17,398	$ -	$ -	$ 17,398	Daily	1
U.S. government securities	91,745	-	-	91,745	Daily	1
Domestic corporate debt securities	66,238	55,393	-	121,631	Daily–Monthly	1–15
Global debt securities	28,142	17,518	-	45,660	Daily–Monthly	1–15
Domestic equities	144,618	-	-	144,618	Daily–Monthly	1–10
International equities	29,870	40	-	29,910	Daily–Monthly	1–11
Emerging market equities	1,226	-	-	1,226	Daily–Monthly	1–7
Real estate investment trust	128	-	-	128	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	379,365	72,981	-	452,346		
Deferred compensation plan assets						
Cash and short-term investments	2,633	-	-	2,633		
U.S. government securities	37	-	-	37		
Domestic corporate debt securities	8,802	-	-	8,802		
Global debt securities	1,095	-	-	1,095		
Domestic equities	28,609	-	-	28,609		
International equities	9,595	-	-	9,595		
Emerging market equities	2,706	-	-	2,706		
Real estate	2,112	-	-	2,112		
Multi strategy fund	13,083	-	-	13,083		
Guaranteed contract	-	-	83	83		
Total deferred compensation plan assets	68,672	-	83	68,755	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,244	9,244	Not applicable	Not applicable
Total assets	$ 448,037	$ 72,981	$ 9,327	$ 530,345		
Liabilities						
Interest rate swaps	$ -	$ 20,916	$ -	$ 20,916	Not applicable	Not applicable
Total liabilities	$ -	$ 20,916	$ -	$ 20,916		

(in thousands of dollars)	2016 Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 27,084	$ -	$ -	$ 27,084	Daily	1
U.S. government securities	77,413	-	-	77,413	Daily	1
Domestic corporate debt securities	27,626	73,645	-	101,271	Daily–Monthly	1–15
Global debt securities	23,103	17,253	-	40,356	Daily–Monthly	1–15
Domestic equities	115,082	-	-	115,082	Daily–Monthly	1–10
International equities	23,271	-	-	23,271	Daily–Monthly	1–11
Emerging market equities	331	-	-	331	Daily–Monthly	1–7
Real estate investment trust	20	-	-	20	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	293,930	90,928	-	384,858		
Deferred compensation plan assets						
Cash and short-term investments	2,478	-	-	2,478		
U.S. government securities	30	-	-	30		
Domestic corporate debt securities	6,710	-	-	6,710		
Global debt securities	794	-	-	794		
Domestic equities	23,502	-	-	23,502		
International equities	8,619	-	-	8,619		
Emerging market equities	2,113	-	-	2,113		
Real estate	2,057	-	-	2,057		
Multi strategy fund	9,188	-	-	9,188		
Guaranteed contract	-	-	80	80		
Total deferred compensation plan assets	55,491	-	80	55,571	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,087	9,087	Not applicable	Not applicable
Total assets	$ 349,421	$ 90,928	$ 9,167	$ 449,516		
Liabilities						
Interest rate swaps	$ -	$ 28,917	$ -	$ 28,917	Not applicable	Not applicable
Total liabilities	$ -	$ 28,917	$ -	$ 28,917		

The following table is a rollforward of the statements of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

(in thousands of dollars)	2017 Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,087	$ 80	$ 9,167
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	157	3	160
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,244	$ 83	$ 9,327

	2016		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,345	$ 78	$ 9,423
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	(258)	2	(256)
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,087	$ 80	$ 9,167

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 32,583	$ 44,561
Research	25,385	16,680
Purchase of equipment	3,080	2,826
Charity care	13,814	1,543
Health education	17,489	8,518
Other	2,566	1,603
	$ 94,917	$ 75,731

Permanently restricted net assets consist of the following at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 22,916	$ 32,105
Research	7,795	7,767
Purchase of equipment	6,274	5,266
Charity care	6,895	2,991
Health education	10,228	5,408
Other	57	53
	$ 54,165	$ 53,590

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include numerous funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Unrestricted net assets include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Temporarily restricted net assets include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2017 and 2016.

Endowment net asset composition by type of fund consists of the following at June 30, 2017 and 2016:

	2017			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 29,701	$ 45,756	$ 75,457
Board-designated endowment funds	26,389	-	-	26,389
Total endowed net assets	$ 26,389	$ 29,701	$ 45,756	$ 101,846

	2016			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 25,780	$ 45,402	$ 71,182
Board-designated endowment funds	26,205	-	-	26,205
Total endowed net assets	$ 26,205	$ 25,780	$ 45,402	$ 97,387

Changes in endowment net assets for the year ended June 30, 2017:

	2017			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Balances at beginning of year	$ 26,205	$ 25,780	$ 45,402	$ 97,387
Net investment return	283	5,285	2	5,570
Contributions	-	210	300	510
Transfers	-	(26)	22	(4)
Release of appropriated funds	(99)	(1,548)	-	(1,647)
Net asset transfer from affiliates	-	-	30	30
Balances at end of year	$ 26,389	$ 29,701	45,756	$ 101,846
Balances at end of year			45,756	
Beneficial interest in perpetual trust			8,409	
Permanently restricted net assets			$ 54,165	

Changes in endowment net assets for the year ended June 30, 2016:

	2016			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 26,405	$ 28,296	$ 44,491	$ 99,192
Net investment return	(54)	(1,477)	3	(1,528)
Contributions	-	271	699	970
Transfers	-	(216)	180	(36)
Release of appropriated funds	(146)	(1,094)	-	(1,240)
Net asset transfer from affiliates	-	-	29	29
Balances at end of year	$ 26,205	$ 25,780	45,402	$ 97,387

Balances at end of year	45,402
Beneficial interest in perpetual trust	8,188
Permanently restricted net assets	$ 53,590

10. Long-Term Debt

A summary of long-term debt at June 30, 2017 and 2016 is as follows:

(in thousands of dollars)	2017	2016
Variable rate issues		
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds		
Series 2015A, principal maturing in varying annual amounts, through August 2031 (2)	$ 82,975	$ 86,710
Series 2013, principal maturing in varying annual amounts, through August 2043 (10)	-	19,230
Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds		
Series 2010A, principal maturing in varying annual amounts, through August 2030 (11)	-	7,881
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2016A, principal maturing in varying annual amounts, through August 2046 (1)	24,608	-
Series 2016B, principal maturing in varying annual amounts, through August 2046 (1)	10,970	-
Series 2014A, principal maturing in varying annual amounts, through August 2022 (4)	26,960	26,960
Series 2014B, principal maturing in varying annual amounts, through August 2033 (4)	14,530	14,530
Series 2012A, principal maturing in varying annual amounts, through August 2031 (5)	71,700	72,720
Series 2012B, principal maturing in varying annual amounts, through August 2031 (5)	39,340	39,900
Series 2012, principal maturing in varying annual amounts, through July 2039 (9)	26,735	27,490
Series 2010, principal maturing in varying annual amounts, through August 2040 (7)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (8)	57,540	63,370
Total variable and fixed rate debt	430,358	433,791

A summary of long-term debt at June 30, 2017 and 2016 is as follows (continued):

(in thousands of dollars)	2017	2016
Other		
Revolving Line of Credit, principal maturing through March 2019 (3)	49,750	49,750
Series 2012, principal maturing in varying annual amounts, through July 2025 (6)	136,000	140,000
Series 2010, principal maturing in varying annual amounts, through August 2040 (12)*	15,900	16,287
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment*	811	313
Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2012 through 2016, including principal and interest at 3.25%; collateralized by savings account*	-	2,952
Note payable to a financial institution with entire principal due June 2029 that is collateralized by land and building. The note payable is interest free*	437	494
Mortgage note payable to the US Dept of Agriculture; monthly payments of $10,892 include interest of 2.375% through November 2046*	2,763	-
Obligations under capital leases	3,435	4,875
Total other debt	209,096	214,671
Total variable and fixed rate debt	430,358	433,791
Total long-term debt	639,454	648,462
Less		
Original issue discount, net	862	881
Bond issuance costs, net	3,832	3,933
Current portion	18,357	18,307
	$ 616,403	$ 625,341

Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years ending June 30 and thereafter are as follows:

(in thousands of dollars)	2017
2018	$ 18,357
2019	68,279
2020	19,401
2021	19,448
2022	19,833
Thereafter	494,136
	$ 639,454

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds.

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of MHMH, DHC, Cheshire, NLH and MAHHC. D-HH is designated as the obligated group agent.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

(1) Series 2016A and 2016B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2016A and 2016B in July 2016 through a private placement with a financial institution. The Series 2016A Revenue Bonds were primarily used to refund Series 2013A and Series 2013B and the Series 2016B Revenue Bonds were used to finance 2016 projects. The Series 2016A Revenue Bonds mature in variable amounts through 2046. Interest is equal to the sum of .70 times one month LIBOR plus .70 times the spread. The variable rate as of June 30 2017 was 1.48% The Series 2016B is fixed with an interest rate of 1.78% and matures at various dates through 2046.

(2) Series 2015A Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds and to cover cost of issuance. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30 2017 was 1.51%

(3) Revolving Line of Credit

Through the DHOG, entered into Revolving Line of Credit TD Bank, N.A. (TD Bank). Interest on the TD Bank loan accrues variably and matures at various dates through March 2019. The variable rate as of June 30 2017 was 1.63%

(4) Series 2014A and Series 2014B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B Revenue Bonds were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(5) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(6) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2025.

(7) Series 2010 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(8) Series 2009 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 5.00% and 6.00% and mature at various dates through August 2038.

(9) Series 2012 Revenue Bonds

Issued through the NHHEFA $29,650,000 of tax-exempt Revenue Bonds Series 2012. The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from $780,000 to $1,750,000 through July 2039.

(10) Series 2013 Revenue Bonds

Issued through the NHHEFA $15,520,000 tax exempt Revenue Bonds Series 2013A. The Series 2013A funds were used to refund Series 2007 Revenue Bonds. Additional borrowings were obtained (up to $9,480,000 Revenue Bonds, Series 2013B) for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with

respect to the Series 2007 Revenue Bonds but remains in effect. These bonds were paid with the proceeds of the Series 2016A Revenue Bonds.

(11) Series 2010A Revenue Bonds

Issued through the VEHBFA $9,244,000 of Revenue Bonds Series 2010A. The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The bonds were purchased by TD Bank on March 1, 2010. Principal payments began on April 1, 2010 for a period of 20 years ranging in amounts from $228,000 in 2014 to $207,000 in 2030. These bonds were refunded in July 2016.

Outstanding joint and several indebtedness of the DHOG at June 30, 2017 and 2016 approximates $616,108,000 and $568,940,000, respectively.

Non Obligated Group Bonds

(12) Series 2010 Revenue Bonds

Issued through the Business Finance Authority (BFA) of the State of NH. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975/5. APD may prepay certain of these bonds according to the terms of the loan and trust agreement. The bonds are redeemable at any time by APD at par value plus any accrued interest. The bonds are also subject to optional tender for purchase (as a whole) in November 2020 at par plus accrued interest.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $2,008,000 and $1,950,000 at June 30, 2017 and 2016, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2017 and 2016 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $19,838,000 and $19,301,000 and is included in other nonoperating losses of $3,135,000 and $3,201,000, respectively.

Swap Agreements

The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of $91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the

associated bonds. The 2011 interest rate swap was not integrated with the 2011 bonds. When the 2011 bonds were refinanced, the swap became associated with the 2015 bond.

- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of $15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.

- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of $7,244,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The swap was terminated in September 2016, while the bonds will remain outstanding until 2030.

The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2017 and 2016 the fair value of the Health System's interest rate swaps was a liability of $20,915,000 and $28,917,000, respectively. The change in fair value during the years ended June 30, 2017 and 2016 was a (decrease) and an increase of ($8,002,000) and $4,177,000, respectively. For the years ended June 30, 2017 and 2016 the Health System recognized a nonoperating gain of $124,000 and $1,696,000 resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain affiliates provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen or had been approved by the applicable Board of Trustees to be frozen by December 31, 2017.

In December of 2016 the Board of Trustees approved to accelerate the freeze date on the remaining pension plan from December 31, 2017 to January 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

The Health System continued to execute the settlement of obligations due to retirees in the defined benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans

Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost for benefits earned during the year	$ 5,736	$ 11,084
Interest cost on projected benefit obligation	47,316	48,036
Expected return on plan assets	(64,169)	(63,479)
Net prior service cost	109	848
Net loss amortization	20,267	26,098
Special/contractural termination benefits	119	300
One-time benefit upon plan freeze acceleration	9,519	-
	$ 18,897	$ 22,887

The following assumptions were used to determine net periodic pension expense as of June 30, 2017 and 2016:

	2017	2016
Discount rate	4.20 % – 4.90 %	4.30 % – 4.90%
Rate of increase in compensation	Age Graded - N/A	Age Graded/0.00 % - 2.50 %
Expected long-term rate of return on plan assets	7.50 % – 7.75 %	7.50 % – 7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,096,619	$ 988,143
Service cost	5,736	11,084
Interest cost	47,316	48,108
Benefits paid	(43,276)	(39,001)
Expenses paid	(183)	(180)
Actuarial (gain) loss	6,884	99,040
Settlements	-	(13,520)
Plan change	-	2,645
Special/contractual termination benefits	-	300
One-time benefit upon plan freeze acceleration	9,519	-
Benefit obligation at end of year	1,122,615	1,096,619
Change in plan assets		
Fair value of plan assets at beginning of year	872,320	845,052
Actual return on plan assets	44,763	81,210
Benefits paid	(43,276)	(42,494)
Expenses paid	(183)	(180)
Employer contributions	5,077	2,252
Settlements	-	(13,520)
Fair value of plan assets at end of year	878,701	872,320
Funded status of the plans	(243,914)	(224,299)
Less current portion of liability for pension	(46)	(46)
Long term portion of liability for pension	(243,868)	(224,253)
Liability for pension	$ (243,914)	$ (224,299)

For the years ended June 30, 2017 and 2016 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2017 and 2016 are as follows:

(in thousands of dollars)	2017	2016
Net actuarial loss	$ 429,782	$ 423,640
Prior service cost	-	228
	$ 429,782	$ 423,868

The estimated amounts to be amortized from unrestricted net assets into net periodic pension expense in 2018 for net actuarial losses is $10,966,000.

The accumulated benefit obligation for the defined benefit pension plans was approximately $1,123,010,000 and $1,082,818,000 at June 30, 2016 and 2017, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2017 and 2016:

	2017	2016
Discount rate	4.00 % – 4.30 %	4.20 % – 4.30 %
Rate of increase in compensation	N/A - 0.00 %	Age Graded/0.00 % - 2.50 %

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of June 30, 2017 and 2016, it is expected that the LDI strategy will hedge approximately 55% and 65%, respectively, of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5%	3%
U.S. government securities	0–5	5
Domestic debt securities	20–58	38
Global debt securities	6–26	8
Domestic equities	5–35	19
International equities	5–15	11
Emerging market equities	3–13	5
Real estate investment trust funds	0–5	0
Private equity funds	0–5	0
Hedge funds	5–18	11

To the extent an asset class falls outside of its target range on a quarterly basis, the Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, oversee the design, structure, and prudent professional management of the Health System's Plans' assets, in accordance with Board approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,

- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient. The Health System's Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or 3, even though the underlying securities may not be difficult to value or may be readily marketable.

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 23	$ 29,792	$ -	$ 29,815	Daily	1
U.S. government securities	7,875	-	-	7,875	Daily–Monthly	1–15
Domestic debt securities	140,498	243,427	-	383,925	Daily–Monthly	1–15
Global debt securities	426	90,389	-	90,815	Daily–Monthly	1–15
Domestic equities	154,597	16,938	-	171,535	Daily–Monthly	1–10
International equities	9,837	93,950	-	103,787	Daily–Monthly	1–11
Emerging market equities	2,141	45,351	-	47,492	Daily–Monthly	1–17
REIT funds	362	2,492	-	2,854	Daily–Monthly	1–17
Private equity funds	-	-	96	96	See Note 7	See Note 7
Hedge funds	-	-	40,507	40,507	Quarterly–Annual	60–96
Total investments	$ 315,759	$ 522,339	$ 40,603	$ 878,701		

	2016					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 5,463	$ 10,879	$ -	$ 16,342	Daily	1
U.S. government securities	4,177	-	-	4,177	Daily–Monthly	1–15
Domestic debt securities	95,130	296,362	-	391,492	Daily–Monthly	1–15
Global debt securities	409	88,589	-	88,998	Daily–Monthly	1–15
Domestic equities	148,998	15,896	-	164,894	Daily–Monthly	1–10
International equities	12,849	77,299	-	90,148	Daily–Monthly	1–11
Emerging market equities	352	37,848	-	38,200	Daily–Monthly	1–17
REIT funds	356	1,465	-	1,821	Daily–Monthly	1–17
Private equity funds	-	-	255	255	See Note 7	See Note 7
Hedge funds	-	37,005	38,988	75,993	Quarterly–Annual	60–96
Total investments	$ 267,734	$ 565,343	$ 39,243	$ 872,320		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017 Hedge Funds	2017 Private Equity Funds	2017 Total
Balances at beginning of year	$ 38,988	$ 255	$ 39,243
Transfers	-	-	-
Purchases	-	-	-
Sales	(880)	(132)	(1,012)
Net realized (losses) gains	33	36	69
Net unrealized gains	2,366	(63)	2,303
Balances at end of year	$ 40,507	$ 96	$ 40,603

(in thousands of dollars)	2016 Hedge Funds	2016 Private Equity Funds	2016 Total
Balances at beginning of year	$ 42,076	$ 437	$ 42,513
Transfers	-	-	-
Purchases	-	-	-
Sales	(468)	(142)	(610)
Net realized (losses) gains	(55)	155	100
Net unrealized gains	(2,565)	(195)	(2,760)
Balances at end of year	$ 38,988	$ 255	$ 39,243

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2017 and 2016 were approximately $7,965,000 and $8,808,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2017 and 2016.

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

The weighted average asset allocation for the Health System's Plans at June 30, 2017 and 2016 by asset category is as follows:

	2017	2016
Cash and short-term investments	3 %	2 %
U.S. government securities	1	1
Domestic debt securities	44	45
Global debt securities	10	10
Domestic equities	20	19
International equities	12	10
Emerging market equities	5	4
Hedge funds	5	9
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.50% per annum.

The Health System is expected to contribute approximately $5,047,000 to the Plans in 2018 however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)	
2018	$ 46,313
2019	48,689
2020	51,465
2021	54,375
2022	57,085
2023 – 2027	323,288

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately $33,375,000 and $29,416,000 in 2017 and 2016, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

Various 403(b) and tax- sheltered annuity plans are available to employees of the Health System. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2017 and 2016 respectively.

Postretirement Medical and Life Benefits

The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit (income) cost is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost	$ 448	$ 544
Interest cost	2,041	2,295
Net prior service income	(5,974)	(5,974)
Net loss amortization	689	610
	$ (2,796)	$ (2,525)

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 51,370	$ 50,438
Service cost	448	544
Interest cost	2,041	2,295
Benefits paid	(3,211)	(3,277)
Actuarial (gain) loss	(8,337)	1,404
Employer contributions	(34)	(34)
Benefit obligation at end of year	42,277	51,370
Funded status of the plans	(42,277)	(51,370)
Current portion of liability for postretirement medical and life benefits	(3,174)	(3,130)
Long term portion of liability for postretirement medical and life benefits	(39,103)	(48,240)
Liability for postretirement medical and life benefits	$ (42,277)	$ (51,370)

For the years ended June 30, 2017 and 2016 the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in unrestricted net assets are as follows:

(in thousands of dollars)	2017	2016
Net prior service income	$ (21,504)	$ (27,478)
Net actuarial loss	2,054	11,080
	$ (19,450)	$ (16,398)

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement income in 2018 for net prior service cost is $5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2017 and thereafter:

(in thousands of dollars)	
2018	$ 3,174
2019	3,149
2020	3,142
2021	3,117
2022	3,113
2023-2027	14,623

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.20% in 2017 and an assumed healthcare cost trend rate of 6.75%, trending down to 4.75% in 2021 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $1,067,000 and $4,685,000 and the net periodic postretirement medical benefit cost for the years then ended by $110,000 and $284,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $974,000 and $3,884,000 and the net periodic postretirement medical benefit cost for the years then ended by $96,000 and $234,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College, Cheshire, NLH and MAHHC are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. D-H and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

APD is covered for malpractice claims under a modified claims-made policy purchased through New England Alliance for Health (NEAH). While APD remains in the current insurance program under this policy, the coverage year is based on the date the claim is filed; subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of

employment at APD and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2017 and 2016 are summarized as follows:

	2017		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 76,185	$ 2,055	$ 78,240
Shareholders' equity	13,620	801	14,421
Net income	-	(5)	(5)

	2016		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 86,101	$ 2,237	$ 88,338
Shareholders' equity	13,620	806	14,426
Net income	-	50	50

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $15,802,000 and $10,571,000 for the years ended June 30, 2017 and 2016, respectively. Minimum future lease payments under noncancelable operating leases at June 30, 2017 were as follows:

(in thousands of dollars)	
2018	$ 8,370
2019	6,226
2020	3,928
2021	3,105
2022	1,518
Thereafter	367
	$ 23,514

Lines of Credit

The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $85,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 1, 2018. There was no outstanding balance under the lines of credit at June 30, 2017. The Health System had outstanding balances under the lines of credits in the amount of $36,550,000 at June 30, 2016. Interest expense was approximately $915,000 and $551,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Program services	$ 1,662,413	$ 1,553,377
Management and general	311,820	271,409
Fundraising	2,328	5,901
	$ 1,976,561	$ 1,830,687

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 17, 2017, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Consolidating Supplemental Information - Unaudited

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 27,328	$ 10,645	$ 7,797	$ 6,662	$ -	$ 52,432	$ 16,066	$ -	$ 68,498
Patient accounts receivable, net	193,733	17,723	8,539	4,659	-	224,654	12,606	-	237,260
Prepaid expenses and other current assets	93,816	6,945	3,650	1,351	(16,585)	89,177	8,034	(8,008)	89,203
Total current assets	314,877	35,313	19,986	12,672	(16,585)	366,263	36,706	(8,008)	394,961
Assets limited as to use	580,254	19,104	11,784	9,058	-	620,200	42,123	-	662,323
Other investments for restricted activities	86,398	4,764	2,833	6,079	-	100,074	24,455	-	124,529
Property, plant, and equipment, net	448,743	64,933	43,264	17,167	-	574,107	35,868	-	609,975
Other assets	89,650	2,543	5,965	4,095	(11,520)	90,733	27,674	(21,287)	97,120
Total assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ 16,034	$ 780	$ 737	$ 80	$ -	$ 17,631	$ 726	$ -	$ 18,357
Line of credit	-	-	-	550	(550)	-	-	-	-
Current portion of liability for pension and other postretirement plan benefits	3,220	-	-	-	-	3,220	-	-	3,220
Accounts payable and accrued expenses	72,362	19,715	5,356	2,854	(16,585)	83,702	13,466	(8,008)	89,160
Accrued compensation and related benefits	99,638	5,428	2,335	3,448	-	110,849	4,062	-	114,911
Estimated third-party settlements	11,322	-	7,265	1,915	-	20,502	6,931	-	27,433
Total current liabilities	202,576	25,923	15,693	8,847	(17,135)	235,904	25,185	(8,008)	253,081
Long-term debt, excluding current portion	545,100	26,185	26,402	10,976	(10,970)	597,693	18,710	-	616,403
Insurance deposits and related liabilities	50,960	-	-	-	-	50,960	-	-	50,960
Interest rate swaps	17,606	-	3,310	-	-	20,916	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	267,409	8,761	-	6,801	-	282,971	-	-	282,971
Other liabilities	77,622	2,636	1,426	-	-	81,684	8,864	-	90,548
Total liabilities	1,161,273	63,505	46,831	26,624	(28,105)	1,270,128	52,759	(8,008)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	258,887	58,250	32,504	15,247	-	364,888	81,344	(21,285)	424,947
Temporarily restricted	68,473	4,902	345	1,363	-	75,083	19,836	(2)	94,917
Permanently restricted	31,289	-	4,152	5,837	-	41,278	12,887	-	54,165
Total net assets	358,649	63,152	37,001	22,447	-	481,249	114,067	(21,287)	574,029
Total liabilities and net assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 1,166	$ 27,760	$ 11,601	$ 8,280	$ 6,968	$ 8,129	$ 4,594	$ -	$ 68,498
Patient accounts receivable, net	-	193,733	17,723	8,539	4,681	8,878	3,706	-	237,260
Prepaid expenses and other current assets	3,884	94,305	5,899	3,671	1,340	4,179	518	(24,593)	89,203
Total current assets	5,050	315,798	35,223	20,490	12,989	21,186	8,818	(24,593)	394,961
Assets limited as to use	-	596,904	19,104	11,782	9,889	8,168	16,476	-	662,323
Other investments for restricted activities	6	94,210	21,204	2,833	6,079	197	-	-	124,529
Property, plant, and equipment, net	50	451,418	68,921	43,751	18,935	23,447	3,453	-	609,975
Other assets	23,866	89,819	8,586	5,378	1,812	283	183	(32,807)	97,120
Total assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 16,034	$ 780	$ 737	$ 137	$ 603	$ 66	$ -	$ 18,357
Line of credit	-	-	-	-	550	-	-	(550)	-
Current portion of liability for pension and other postretirement plan benefits	-	3,220	-	-	-	-	-	-	3,220
Accounts payable and accrued expenses	5,996	72,806	19,718	5,365	2,946	5,048	1,874	(24,593)	89,160
Accrued compensation and related benefits	-	99,638	5,428	2,335	3,480	2,998	1,032	-	114,911
Estimated third-party settlements	6,165	11,322	-	7,265	1,915	766	-	-	27,433
Total current liabilities	12,161	203,020	25,926	15,702	9,028	9,415	2,972	(25,143)	253,081
Long-term debt, excluding current portion	-	545,100	26,185	26,402	11,356	15,633	2,697	(10,970)	616,403
Insurance deposits and related liabilities	-	50,960	-	-	-	-	-	-	50,960
Interest rate swaps	-	17,606	-	3,310	-	-	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	-	267,409	8,761	-	6,801	-	-	-	282,971
Other liabilities	-	77,622	2,531	1,426	-	8,969	-	-	90,548
Total liabilities	12,161	1,161,717	63,403	46,840	27,185	34,017	5,669	(36,113)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	16,367	278,695	60,758	32,897	15,319	18,965	23,231	(21,285)	424,947
Temporarily restricted	444	74,304	18,198	345	1,363	265	-	(2)	94,917
Permanently restricted	-	33,433	10,679	4,152	5,837	34	30	-	54,165
Total net assets	16,811	386,432	89,635	37,394	22,519	19,264	23,261	(21,287)	574,029
Total liabilities and net assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 1,535	$ 1,535	$ 39,057	$ -	$ 40,592
Patient accounts receivable, net	220,173	220,173	40,815	-	260,988
Prepaid expenses and other current assets	95,158	95,158	23,595	(22,933)	95,820
Total current assets	316,866	316,866	103,467	(22,933)	397,400
Assets limited as to use	551,724	551,724	40,744	-	592,468
Other investments for restricted activities	91,879	91,879	50,157	-	142,036
Property, plant, and equipment, net	454,894	454,894	157,670	-	612,564
Other assets	65,613	65,613	36,582	(14,929)	87,266
Total assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 15,638	$ 15,638	$ 2,669	$ -	$ 18,307
Line of Credit	35,000	35,000	1,550	-	36,550
Current portion of liability for pension and other postretirement plan benefits	3,176	3,176	-	-	3,176
Accounts payable and accrued expenses	87,373	87,373	43,104	(22,933)	107,544
Accrued compensation and related benefits	86,997	86,997	16,557	-	103,554
Estimated third-party settlements	21,434	21,434	(1,784)	-	19,650
Total current liabilities	249,618	249,618	62,096	(22,933)	288,781
Long-term debt, excluding current portion	550,090	550,090	75,251	-	625,341
Insurance deposits and related liabilities	56,887	56,887	-	-	56,887
Interest rate swaps	24,148	24,148	4,769	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	246,816	246,816	25,677	-	272,493
Other liabilities	54,218	54,218	15,593	-	69,811
Total liabilities	1,181,777	1,181,777	183,386	(22,933)	1,342,230
Commitments and contingencies					
Net assets					
Unrestricted	217,033	217,033	158,079	(14,929)	360,183
Temporarily restricted	51,173	51,173	24,558	-	75,731
Permanently restricted	30,993	30,993	22,597	-	53,590
Total net assets	299,199	299,199	205,234	(14,929)	489,504
Total liabilities and net assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Assets								
Current assets								
Cash and cash equivalents	$ 607	$ 2,066	$ 16,640	$ 6,699	$ 5,388	$ 9,192	$ -	$ 40,592
Patient accounts receivable, net	-	220,173	17,836	7,377	5,347	10,255	-	260,988
Prepaid expenses and other current assets	7,463	95,738	5,458	3,209	2,022	4,863	(22,933)	95,820
Total current assets	8,070	317,977	39,934	17,285	12,757	24,310	(22,933)	397,400
Assets limited as to use	-	551,724	17,525	10,345	8,260	4,614	-	592,468
Other investments for restricted activities	217	114,719	18,486	2,843	5,742	29	-	142,036
Property, plant, and equipment, net	76	457,570	75,591	43,204	19,659	16,464	-	612,564
Other assets	17,950	65,782	9,496	5,028	3,929	10	(14,929)	87,266
Total assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	$ -	$ 15,638	$ 755	$ 941	$ 466	$ 507	$ -	$ 18,307
Line of credit	-	35,000	-	-	1,550	-	-	36,550
Current portion of liability for pension and other postretirement plan benefits	-	3,176	-	-	-	-	-	3,176
Accounts payable and accrued expenses	9,857	88,557	15,866	6,791	4,589	4,817	(22,933)	107,544
Accrued compensation and related benefits	-	86,997	7,728	2,052	3,128	3,649	-	103,554
Estimated third-party settlements	-	10,534	1,569	5,206	917	1,424	-	19,650
Total current liabilities	9,857	239,902	25,918	14,990	10,650	10,397	(22,933)	288,781
Long-term debt, excluding current portion	-	550,090	26,985	20,767	11,145	16,354	-	625,341
Insurance deposits and related liabilities	-	56,887	-	-	-	-	-	56,887
Interest rate swaps	-	24,148	-	4,646	123	-	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	-	246,816	18,662	-	7,015	-	-	272,493
Other liabilities	-	65,118	3,522	1,135	-	36	-	69,811
Total liabilities	9,857	1,182,961	75,087	41,538	28,933	26,787	(22,933)	1,342,230
Commitments and contingencies								
Net assets								
Unrestricted	16,456	234,609	58,978	32,706	14,099	18,264	(14,929)	360,183
Temporarily restricted	-	57,091	16,454	345	1,496	345	-	75,731
Permanently restricted	-	33,111	10,513	4,116	5,819	31	-	53,590
Total net assets	16,456	324,811	85,945	37,167	21,414	18,640	(14,929)	489,504
Total liabilities and net assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(in thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ 1,447,961	$ 214,265	$ 59,928	$ 48,072	$ (19)	$ 1,770,207	$ 88,985	$ -	$ 1,859,192
Provisions for bad debts	42,963	14,125	2,010	1,705	-	60,803	2,842	-	63,645
Net patient service revenue less provisions for bad debts	1,404,998	200,140	57,918	46,367	(19)	1,709,404	86,143	-	1,795,547
Contracted revenue	88,620	-	-	1,861	(41,771)	48,710	(4,995)	(44)	43,671
Other operating revenue	104,611	3,045	3,839	1,592	(1,148)	111,939	6,418	820	119,177
Net assets released from restrictions	9,550	639	116	61	-	10,366	756	-	11,122
Total unrestricted revenue and other support	1,607,779	203,824	61,873	49,881	(42,938)	1,880,419	88,322	776	1,969,517
Operating expenses									
Salaries	787,644	102,769	30,311	23,549	(21,784)	922,489	42,327	1,536	966,352
Employee benefits	202,178	26,632	7,071	5,523	(5,322)	236,082	8,392	381	244,855
Medical supplies and medications	257,100	30,692	6,143	2,905	(273)	296,567	9,513	-	306,080
Purchased services and other	208,671	28,068	12,795	13,224	(17,325)	245,433	45,331	(959)	289,805
Medicaid enhancement tax	50,118	7,800	2,923	1,620	-	62,461	2,608	-	65,069
Depreciation and amortization	66,067	10,238	3,881	2,138	-	82,324	2,238	-	84,562
Interest	17,352	1,127	819	249	(209)	19,338	500	-	19,838
Total operating expenses	1,589,130	207,326	63,943	49,208	(44,913)	1,864,694	110,909	958	1,976,561
Operating margin (loss)	18,649	(3,502)	(2,070)	673	1,975	15,725	(22,587)	(182)	(7,044)
Nonoperating gains (losses)									
Investment gains (losses)	42,484	1,378	1,570	984	(209)	46,207	4,849	-	51,056
Other, net	(3,003)	-	(879)	570	(1,767)	(5,079)	740	186	(4,153)
Contribution revenue from acquisition	-	-	-	-	-	-	20,215	-	20,215
Total nonoperating gains, net	39,481	1,378	691	1,554	(1,976)	41,128	25,804	186	67,118
Excess (deficiency) of revenue over expenses	58,130	(2,124)	(1,379)	2,227	(1)	56,853	3,217	4	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 8)	983	-	9	442	-	1,434	405	-	1,839
Change in funded status of pension and other postretirement benefits	(5,297)	4,031	-	(321)	-	(1,587)	-	-	(1,587)
Net assets transferred (from) to affiliates	(18,380)	900	143	986	-	(16,351)	16,351	-	-
Other changes in net assets	-	-	-	(2,286)	-	(2,286)	5,281	(6,359)	(3,364)
Change in fair value on interest rate swaps	6,418	-	1,337	47	-	7,802	-	-	7,802
Increase (decrease) in unrestricted net assets	$ 41,854	$ 2,807	$ 110	$ 1,095	$ (1)	$ 45,865	$ 25,254	$ (6,355)	$ 64,764

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,447,961	$ 214,265	$ 59,928	$ 48,072	$ 65,835	$ 23,150	$ (19)	$ 1,859,192
Provisions for bad debts	-	42,963	14,125	2,010	1,705	2,275	567	-	63,645
Net patient service revenue less provisions for bad debts	-	1,404,998	200,140	57,918	46,367	63,560	22,583	(19)	1,795,547
Contracted revenue	(5,802)	89,427	-	-	1,861	-	-	(41,815)	43,671
Other operating revenue	673	106,775	3,264	3,837	3,038	1,537	381	(328)	119,177
Net assets released from restrictions	-	10,200	639	116	61	106	-	-	11,122
Total unrestricted revenue and other support	(5,129)	1,611,400	204,043	61,871	51,327	65,203	22,964	(42,162)	1,969,517
Operating expenses									
Salaries	1,009	787,644	102,769	30,311	24,273	29,397	11,197	(20,248)	966,352
Employee benefits	293	202,178	26,632	7,071	5,686	5,532	2,404	(4,941)	244,855
Medical supplies and medications	-	257,100	30,692	6,143	2,905	7,760	1,753	(273)	306,080
Purchased services and other	16,021	212,414	29,902	12,653	13,626	16,564	6,907	(18,282)	289,805
Medicaid enhancement tax	-	50,118	7,800	2,923	1,620	2,608	-	-	65,069
Depreciation and amortization	26	66,067	10,396	3,886	2,242	1,532	413	-	84,562
Interest	-	17,352	1,127	819	249	467	33	(209)	19,838
Total operating expenses	17,349	1,592,873	209,318	63,806	50,601	63,860	22,707	(43,953)	1,976,561
Operating (loss) margin	(22,478)	18,527	(5,275)	(1,935)	726	1,343	257	1,791	(7,044)
Nonoperating gains (losses)									
Investment (losses) gains	(321)	44,746	2,124	1,516	1,045	439	1,716	(209)	51,056
Other, net	-	(3,003)	-	(879)	581	(161)	888	(1,579)	(4,153)
Contribution revenue from acquisition	20,215	-	-	-	-	-	-	-	20,215
Total nonoperating gains, net	19,894	41,743	2,124	637	1,626	278	2,604	(1,788)	67,118
(Deficiency) excess of revenue over expenses	(2,584)	60,270	(3,151)	(1,298)	2,352	1,621	2,861	3	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 8)	-	1,075	-	9	442	158	155	-	1,839
Change in funded status of pension and other postretirement benefits	-	(5,297)	4,031	-	(321)	-	-	-	(1,587)
Net assets transferred (from) to affiliates	(3,864)	(18,380)	900	143	986	-	20,215	-	-
Additional paid in capital	-	-	-	-	-	-	-		-
Other changes in net assets	6,359	-	-	-	(2,286)	(1,078)	-	(6,359)	(3,364)
Change in fair value on interest rate swaps	-	6,418	-	1,337	47	-	-	-	7,802
(Decrease) increase in unrestricted net assets	$ (89)	$ 44,086	$ 1,780	$ 191	$ 1,220	$ 701	$ 23,231	$ (6,356)	$ 64,764

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support					
Net patient service revenue, net of contractual allowances and discounts	$ 1,387,677	$ 1,387,677	$ 302,159	$ (561)	$ 1,689,275
Provisions for bad debts	41,072	41,072	14,049	-	55,121
Net patient service revenue less provisions for bad debts	$ 1,346,605	$ 1,346,605	$ 288,110	$ (561)	$ 1,634,154
Contracted revenue	63,188	63,188	2,794	-	65,982
Other operating revenue	69,902	69,902	16,994	(4,544)	82,352
Net assets released from restrictions	7,928	7,928	1,291	-	9,219
Total unrestricted revenue and other support	1,487,623	1,487,623	309,189	(5,105)	1,791,707
Operating expenses					
Salaries	731,721	731,721	126,108	14,636	872,465
Employee benefits	197,050	197,050	34,824	2,533	234,407
Medical supplies and medications	236,918	236,918	72,896	-	309,814
Purchased services and other	208,763	208,763	68,582	(22,204)	255,141
Medicaid enhancement tax	46,078	46,078	12,487	-	58,565
Depreciation and amortization	62,348	62,348	18,646	-	80,994
Interest	16,821	16,821	2,480	-	19,301
Total operating expenses	1,499,699	1,499,699	336,023	(5,035)	1,830,687
Operating (loss) margin	(12,076)	(12,076)	(26,834)	(70)	(38,980)
Nonoperating (losses) gains					
Investment losses	(18,537)	(18,537)	(1,566)	-	(20,103)
Other, net	(3,789)	(3,789)	(56)	-	(3,845)
Contribution revenue from acquisition	-	-	18,014	69	18,083
Total nonoperating (losses) gains, net	(22,326)	(22,326)	16,392	69	(5,865)
Deficiency of revenue over expenses	(34,402)	(34,402)	(10,442)	(1)	(44,845)
Unrestricted net assets					
Net assets released from restrictions (Note 8)	1,994	1,994	1,254	-	3,248
Change in funded status of pension and other postretirement benefits	(52,262)	(52,262)	(14,279)	-	(66,541)
Net assets transferred (from) to affiliates	(22,558)	(22,558)	22,558	-	-
Additional paid in capital	-	-	12,793	(12,793)	-
Change in fair value on interest rate swaps	(4,907)	(4,907)	(966)	-	(5,873)
(Decrease) increase in unrestricted net assets	$ (112,135)	$ (112,135)	$ 10,918	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Unrestricted revenue and other support								
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,387,677	$ 171,620	$ 61,740	$ 47,680	$ 21,119	$ (561)	$ 1,689,275
Provisions for bad debts	-	41,072	9,833	1,951	1,249	1,016	-	55,121
Net patient service revenue less provisions for bad debts	-	1,346,605	161,787	59,789	46,431	20,103	(561)	1,634,154
Contracted revenue	1,696	64,286	-	-	-	-	-	65,982
Other operating revenue	3,300	71,475	3,187	3,509	4,555	870	(4,544)	82,352
Net assets released from restrictions	-	8,713	322	65	119	-	-	9,219
Total unrestricted revenue and other support	4,996	1,491,079	165,296	63,363	51,105	20,973	(5,105)	1,791,707
Operating expenses								
Salaries	730	732,393	60,406	29,873	24,019	10,408	14,636	872,465
Employee benefits	219	197,165	19,276	6,824	6,260	2,130	2,533	234,407
Medical supplies and medications	-	236,918	59,121	6,597	4,246	2,932	-	309,814
Purchased services and other	22,506	211,611	14,020	12,876	11,955	4,377	(22,204)	255,141
Medicaid enhancement tax	-	46,078	7,132	2,808	1,707	840	-	58,565
Depreciation and amortization	15	62,348	11,069	4,674	2,345	543	-	80,994
Interest	-	16,821	1,046	823	467	144	-	19,301
Total operating expenses	23,470	1,503,334	172,070	64,475	50,999	21,374	(5,035)	1,830,687
Operating (loss) margin	(18,474)	(12,255)	(6,774)	(1,112)	106	(401)	(70)	(38,980)
Nonoperating gains (losses)								
Investment (losses) gains	(1,027)	(18,848)	(1,075)	627	(15)	235	-	(20,103)
Other, net	(529)	(3,647)	-	57	205	-	69	(3,845)
Contribution revenue from acquisition	18,083	-	-	-	-	-	-	18,083
Total nonoperating (losses) gains, net	16,527	(22,495)	(1,075)	684	190	235	69	(5,865)
(Deficiency) excess of revenue over expenses	(1,947)	(34,750)	(7,849)	(428)	296	(166)	(1)	(44,845)
Unrestricted net assets								
Net assets released from restrictions (Note 8)	-	2,185	107	23	586	347	-	3,248
Change in funded status of pension and other postretirement benefits	-	(52,262)	(12,982)	-	(1,297)	-	-	(66,541)
Net assets transferred to (from) affiliates	4,475	(22,558)	-	-	-	18,083	-	-
Additional paid in capital	12,793	-	-	-	-	-	(12,793)	-
Change in fair value on interest rate swaps	-	(4,907)	-	(1,115)	149	-	-	(5,873)
Increase (decrease) in unrestricted net assets	$ 15,321	$ (112,292)	$ (20,724)	$ (1,520)	$ (266)	$ 18,264	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2017 and 2016

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in unrestricted net assets of D-HH and subsidiaries. All intercompany accounts and transactions between D-HH and subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

DARTMOUTH-HITCHCOCK (D-H)
DARTMOUTH-HITCHCOCK HEALTH (D-HH)

BOARDS OF TRUSTEES & BOARD OFFICERS | Effective: January 2018

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Vincent S. Conti, MHA MHMH/DHC/D-HH Trustee *Retired President & CEO, Maine Medical Center*	**Brian C. Spence, MD, MHCDS** MHMH/DHC Trustee *Associate Professor of Anesthesiology*
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Barbara J. Couch MHMH/DHC/D-HH Boards' Secretary *President of Hypertherm's HOPE Foundation (includes leadership of all of Hypertherm's philanthropic and volunteer initiatives)*	**Pamela Austin Thompson, MS, RN, CENP, FAAN** MHMH/DHC/D-HH Trustee *Chief executive officer emeritus of the American Organization of Nurse Executives (AONE)*
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Senator Judd A. Gregg MHMH/DHC Trustee *Senior Advisor to SIFMA*	**Jon Wahrenberger, MD** MHMH/DHC (Lebanon Physician) Trustee Cardiologist
Laura K. Landy, MBA MHMH/DHC/D-HH Trustee *President and CEO of the Fannie E. Rippel Foundation*	**Marc B. Wolpow, JD, MBA** MHMH/DHC/D-HH Trustee *Co-Chief Executive Officer of Audax Group*

Dartmouth-Hitchcock

Job Description:

Title:	**Recovery Coach**	**Code:**	**402143**
Level:	**Individual Contributor**	**Grade:**	**S14**
Function:	**OPS**	**FLSA Status:**	**Nonexempt**
Reports to:	**Manager**	**Date:**	**02/23/2018**

Purpose:

Engages with patients in the Addiction Treatment Program and encourages them to maintain sobriety, participate in recovery oriented activities and develop a network of sober supports. Participates in group treatment activities and models effective group participation and recovery oriented perspective for patients with substance use disorders. Helps patients identify and access needed resources and recovery supports.

Key Responsibilities:

1. Meets with co-facilitators of group therapy to plan presentation of material.
2. Attends group therapy sessions and model appropriate group participation.
3. Assists with co-facilitating selected aspects of group therapy sessions.
4. Provides support and encouragement to group therapy participants.
5. Engages one-on-one with patients to provide additional support between program sessions.
6. Provides information and referrals regarding recovery resources in the community.
7. Maintains patient confidentiality and comply with HIPAA regulations.
8. Performs other duties as required or assigned.

Minimum Qualifications:

- ✓ Be a person who identifies as in recovery from a substance use disorder and be willing to share details of his or her personal recovery experience
- ✓ Completed Training as Recovery Coach, including ethics training
- ✓ Certification as a Recovery Support Worker (CRSW) required at time of hire or within 1 year of employment
- ✓ Two years of continuous sobriety at time of hire.
- ✓ Thorough understanding of stressors impacting parents in recovery from opiate use disorders
- ✓ Able to maintain patient confidentiality
- ✓ Basic computer literacy skills

Required Licensure/Certification Skills:

- ✓ None

Compensation Representative: Susan Monaghan
Reviewed: 02/23/2018

Dartmouth-Hitchcock

Job Description:

Position Title:	**Licensed Clinical Social Worker**	**Job Code:**	**401854**
Exemption Status:	**Exempt**	**Grade:**	**S22**
Department Name:	**Psychiatry**	**Function:**	**CMG**
Reports To:	**Manager**	**Date:**	**5/23/16**

Position Summary: A brief description of the overall primary duties

Provides psychosocial assessment, counseling, treatment to patients directly.

Responsibilities: A listing of the key responsibilities

1. Provides complete psychosocial assessments of patients and families including but not limited to: abilities, aptitudes, interests and motivation, psychological aspects of physical illnesses, accidents, injuries or disabilities and substance abuse/dependencies.
2. Evaluates, diagnoses and provides treatment for patients within areas such as anxiety disorders, mood disorders, substance use disorders, aggressive behavior, conduct disorder, oppositional defiant disorder, ADHD, eating disorders, and developmental disorders.
3. Establishes achievable treatment goals with clients utilizing the most appropriate types of psychotherapy (i.e., behavior therapy, cognitive therapy, crisis intervention, family/couples, group, counseling and/or supportive cognitive therapy).
4. Observe, describe, diagnose, evaluate, treat, consult, interpret and modify human behavior by applying psychological principles, methods, or procedures to patients who suffer from mental, behavioral, or emotional disorders or disabilities.
5. Collaborates effectively with team members when appropriate.
6. Documents appropriate objective, concise and pertinent clinical data in the medical record.
7. Performs other duties as required or assigned.

Minimum Qualifications:

Attach organizational chart for reference purposes, where applicable.

- ✓ Master's degree in social work from an accredited institution of higher education, including an internship meeting professional standards.
- ✓ Must be able to demonstrate that he or she has provided psychological services, on an inpatient, outpatient or consultative basis in the past 12 months.

Required Licensure/Certification Skills:

- ✓ Licensed Independent Clinical Social Worker (LICSW) in New Hampshire

APPROVAL:

Functional Leader:	Mary Evanofski	Date: 5/23/16
Compensation Representative:	Susan Monaghan	Date: 5/23/16

Attach organizational chart for reference purposes, where applicable.

Dartmouth-Hitchcock

Job Description:

Position Title:	**Medical Assistant II**	**Job Code:**	**400207**
Exemption Status:	**Nonexempt**	**Grade:**	**S09**
Department Name:	**Various**	**Function:**	**CMA**
Reports To:	**Manager**	**Date:**	**01/01/15** Rev. 11/4/15

Position Summary: A brief description of the overall primary duties

Responsible for clinical duties such as taking vital signs, giving injections, performing simple diagnostic tests, collecting specimens, drawing blood, sterilizing and cleaning equipment, and maintaining examination rooms at an outpatient care site.

Responsibilities: A listing of the key responsibilities

1. Greets, checks in patients, and notifies appropriate provider. Prepares patient, room and equipment for procedures and exams.
2. Takes and records vital signs. Informs provider of patient vital signs and concerns.
3. Recognizes and treats emergency patients as a priority, assists with patient examinations and treatments.
4. Handles patient situations over the phone, schedules appointments and procedures with medical professionals. Understands limitations in dealing with patients over the phone, and involves nursing staff and providers.
5. Register new patients and establishes a medical record.
6. Prepares patient billings.
7. Assists patients by filling out insurance and other forms.
8. Supplies authorized information upon request by third party payors.
9. Instructs patients in preparation for specific procedures.
10. Collects and processes routine laboratory specimen.
11. Operates and maintains clinical equipment.
12. Maintains and uses aseptic technique including sterilization, disinfection and disposal of contaminated material.
13. Cleans, wraps and autoclaves instruments. Cares for supplies and equipment.
14. Performs other duties as required or assigned.

Attach organizational chart for reference purposes, where applicable.

Minimum Qualifications:

- ✓ Graduate of an accredited Medical Assistant Program required.
- ✓ Previous experience in office or outpatient ambulatory care setting strongly preferred.
- ✓ Demonstrated strong communication, organizational, and interpersonal skills.
- ✓ Demonstrated ability to work well as a member of a team.
- ✓ Computer skills strongly preferred.
- ✓ Must be willing and able to participate in evening, weekend, and holiday coverage according to needs of the department.
- ✓ Currently registered in the state of New Hampshire as a Medical Technologist.

Required Licensure/Certification Skills:

- ✓ American Association Medical Assistants (AAMA) certified - CMA designation OR American Medical Technologists (AMT) registered – RMA designation OR Certified Clinical Medical Assistant plus 12 month D-H apprenticeship program – CCMA designation.
- ✓ Current BLS certification required.
- ✓ Current CPR certification required.

APPROVAL:

Department Director:_____ Date: _____

Compensation Representative: _____Date: _____

Attach organizational chart for reference purposes, where applicable.

Dartmouth-Hitchcock

Job Description:

Position Title:	**Project Manager – Research**	**Job Code:**	**401872**
Exemption Status:	**Exempt**	**Grade:**	**S18**
Department Name:	**Various**	**Function:**	**CLN**
Reports To:	**Manager**	**Date:**	**5/25/16**

Position Summary: A brief description of the overall primary duties

Leads the implementation of project activities as assigned. Provides leadership to project assistants and project partners. Monitors grants activities, funding and expenditures budgeted under contracts and purchased services. Oversees data management, reporting and project communication with partners, sponsors & governmental agencies as appropriate.

Responsibilities: A listing of the key responsibilities

1. Organizes and manages implementation of project activities including evaluations, data collection and management, project coordination, and collaborative relations.
2. Coordinates and attends meetings to determine project requirements and participates in establishing timelines and project organization.
3. Tracks and manages program activity and collaborates with partners to assure integrity of project and timely problem resolution.
4. Assists and guides project assistants and other partners and supervises project staff as required.
5. Assures that data are successfully collected and managed so that confidentiality and data integrity is maintained, conduct data analysis as appropriate and provide reporting as required.
6. Organizes and participates in project meetings and follows up on communication among project participants in conjunction with Principal Investigators.
7. Monitors ongoing project plans, progress, budgets and expenditures and effectively communicates project status to leaders as applicable.
8. Prepares and initiates completion timelines and ensures all required project close out documents are obtained.
9. May develop training and instructional materials, manuals, and toolkits as needed.

Attach organizational chart for reference purposes, where applicable.

10. May prepare project communications via web sites and written materials for partners, sponsors and governmental agencies.
11. Assists in proposal writing, and participates in development of papers and presentations.
12. Participates in project review and recommends ideas for improvement initiatives.
13. Performs all other duties as required or assigned.

Minimum Qualifications:

- ✓ Bachelor's Degree in applicable field of study with five (5) years of research experience or the equivalent of education and research required.
- ✓ Master's Degree or PhD or foreign equivalent in relevant field, preferred.
- ✓ Comprehensive knowledge of research methods, procedures, and techniques.
- ✓ Experience in animal models may be required.
- ✓ Previous project related work involving complex scheduling and communications preferred.
- ✓ Exceptional organizational and management skills to plan and organize the research approach and project parameters.
- ✓ Grant writing/management experience preferred.
- ✓ Excellent oral communication and interpersonal skills.
- ✓ Knowledge of computer software applications used for research investigations.

Required Licensure/Certification Skills:

- ✓ None

APPROVAL:

Functional Leadership:	Kevin Williams	Date: 5/25/16
Compensation Representative:	Susan Monaghan	Date: 5/25/16

Attach organizational chart for reference purposes, where applicable.

Dartmouth-Hitchcock

Job Description:

Position Title:	**Clinical Secretary – Senior**	**Job Code:**	**400870**
Exemption Status:	**Nonexempt**	**Grade:**	**S11**
Department Name:	**Various**	**Function:**	**SCY**
Reports To:	**Manager**	**Date:**	**7/19/13**

Position Summary: A brief description of the overall primary duties

Performs a variety of administrative support duties, as well as a wide range of customer service-related duties to assist in the overall functioning of the department.

Responsibilities: A listing of the key responsibilities

1. Answers telephone, screens and directs calls, gives directions, and takes messages.
2. Schedules patients, manages calendars, schedules surgical procedures, ancillaries, rotaries, and coordinates deposition scheduling.
3. Designs, analyzes, and coordinate master and other schedules.
4. Maintains, tracks, and sends charts. May provide scribing and other administrative support to clinical staff.
5. Types letters, memoranda, manuscripts, grants, etc. Composes and edits correspondence.
6. Creates forms and spreadsheets, tables, charts, databases and slides.
7. Performs file/record management functions, prepares/constructs charts/departmental patient records, and obtains new medical record numbers.
8. Completes and processes a variety of reports, forms, reimbursements, etc. Obtains authorizations and pre-certifications.
9. Conducts on the job training for new staff members.and gives input into performance appraisals. Directs the work of other employees, work study students, floats, temps, volunteers and others.
10. Creates agendas and takes minutes for meetings.
11. Coordinates conferences/meetings and make travel arrangements.
12. Performs budget tracking and record keeping procedures. Addresses billing concerns, and solves patient billing issues. Maintains account/fund bookkeeping, and provides input into budget preparation. Maintains petty cash, collects money from patients, and performs balancing and cash-out

Attach organizational chart for reference purposes, where applicable.

functions. Reviews billing sheets.
13. Prepares grants and negotiates outside contracts.
14. Performs other duties as required or assigned.

Minimum Qualifications:

- ✓ High School diploma with 3 years of administrative support experience or the equivalent required.
- ✓ Proven experience working with the public required.
- ✓ Previous experience working in a medical setting preferred.
- ✓ Knowledge of medical terminology may be required.
- ✓ Proficiency in PC word processing, spreadsheets, and Excel, Power Point, MC Publisher software's.
- ✓ Excellent communication and interpersonal skills required.

Required Licensure/Certification Skills:

- ✓ None

APPROVAL:

Department Director:_____ Date: _____

Compensation Representative: _____Date: _____

Attach organizational chart for reference purposes, where applicable.

Dartmouth-Hitchcock

Job Description:

Position Title:	**Resource Specialist**	**Job Code:**	**400848**
Exemption Status:	**Exempt**	**Grade:**	**S14**
Department Name:	**Various**	**Function:**	**OPS**
Reports To:	**Manager**	**Date:**	**10/22/13**

Position Summary: A brief description of the overall primary duties

Provides assistance to patient/families and health care providers to identify, provide information, and facilitate access to tangible and supportive services related to patient health care needs.

Responsibilities: A listing of the key responsibilities

1. Acts as an advocate on behalf of patients/families in obtaining needed services and/or resources for which they are eligible.
2. Updates information resource information directory and maintains related literature & applications for distribution to staff and families in specific area of concentration.
3. Documents services provided in patient's medical record and applicable databases.
4. Negotiates and advocates access for patients to selected skilled, acute or long term care facilities. Identifies available transportation resources and negotiates with patient/family for cost effective, safe transportation.
5. Works with patient/family to assess patient eligibility for medication, co-pay and additional resource assistance.
6. Facilitates the patients/families application to public and private government and community agencies, primarily Medicaid.
7. Provides information and assistance to patients/families to secure financial and health assistance, organization financial assistance, and other governmental programs.
8. Performs other duties as required or assigned.

Minimum Qualifications:

- ✓ Bachelor's degree in Social Work or Human Service field, or the equivalent in education and experience required.
- ✓ Excellent interpersonal, communication, and organizational skills required.

Attach organizational chart for reference purposes, where applicable.

Required Licensure/Certification Skills:

✓ None

APPROVAL:

Functional Leader: Date:

Compensation Representative: Date:

Attach organizational chart for reference purposes, where applicable.

Dartmouth-Hitchcock

Job Description:

Position Title:	**Research Coordinator**	**Job Code:**	**400841**
Exemption Status:	**Exempt**	**Grade:**	**S18**
Department Name:	**Various**	**Function:**	**CLN**
Reports To:	**Supervisor**	**Date:**	**10/06/14**

Position Summary: A brief description of the overall primary duties

Performs a wide range of tasks associated with conducting clinical trials and research studies while managing multiple research protocols, providing guidance to other members of the research team, and supporting the overall direction of research in the department.

Responsibilities: A listing of the key responsibilities

1. Organizes and manages clinical trials and research studies. Provides expertise and guidance to the research team and investigators.
2. Conducts protocol reviews to assess the feasibility of potential studies. Seeks out new research opportunities. Participates in study site selection activities.
3. Prepares and submits regulatory documents to study sponsors and any applicable regulatory agencies.
4. Works with study investigators to develop recruitment and screening procedures. Designs and develops recruitment documentation.
5. Composes informed consent forms and protocol abstracts. Creates other study documents and study management tools.
6. Maintains study and regulatory documentation. Monitors and manages compliance with regulatory requirements for other members of the research team.
7. Carries out study visit tasks and procedures, some of which may require being on call. Arranges required tests and other appointments. Interviews study participants about their medical history, medications, adverse events, demographics, and quality of life issues.
8. Communicates with participants throughout the course of the study.
9. Travels to investigator meetings and study training.
10. Provides education and support to study participants and their families.
11. Acts as liaison between principal investigators, regulatory agencies, D-H stakeholders, and study participants to resolve problems.

Attach organizational chart for reference purposes, where applicable.

12. Designs, establishes, and conducts training programs for clinical research staff.
13. Participates in the preparation of grants for funding department research.
14. Works with others in the financial management of the department's research program.
15. Performs other duties as required or assigned.

Minimum Qualifications:

- ✓ Bachelor's degree with 5 years of relevant experience, or the equivalent in education and experience, required.
- ✓ Master's degree preferred.
- ✓ Excellent organizational, writing, and office software skills required.

Required Licensure/Certification Skills:

- ✓ Certification through the Society of Clinical Research Associates (SOCRA) or Association of Clinical Research Professionals (ACRP) required.

APPROVAL:

Functional Leader: Various Date: 10/06/2014

Compensation Partner: Team Date: 10/06/2014

Attach organizational chart for reference purposes, where applicable.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount paid from this Contract
TBD	LICSW/MLADC (1.5 FTE)	$120,000	100%	$120,000
TBD	Clinical Secretary	$37,000	60%	$22,200
TBD	Recovery Coach	$52,000	60%	$31,200
TBD	Resource Specialist	$50,000	60%	$30,000
TBD	Program Manager	$80,000	25%	$20,000
TBD	Implementation Specialist	$80,000	50%	$40,000
TBD	Data/Research Coordinator	$50,000	100%	$50,000
TBD	Clinical/Medical Director	$275,000	10%	$27,500
TBD	Medical Assistant/LNA	$36,400	60%	$21,840
TBD	MAT Provider MD	$250,000	25%	$62,500

FORM NUMBER P-37 (version 5/8/15)

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-02)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name The Cheshire Medical Center		1.4 Contractor Address 580 COURT STREET, KEENE, NH, 03431	
1.5 Contractor Phone Number (603) 354-5400	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,593,611
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature Kathryn Wilbarger		1.12 Name and Title of Contractor Signatory VP Finance	

1.13 Acknowledgement: State of New Hampshire, County of Cheshire

On October 16, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace

[Seal]

1.13.2 Name and Title of Notary ~~or Justice of the Peace~~

ANN M. GAGNON

ANN M. GAGNON
Notary Public - New Hampshire
My Commission Expires October 1, 2019

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Kathas Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: Megan A. Yost, Atty 10/19/18

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials KW
Date 10/16/18

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials KW
Date 10/10/18

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials KW
Date 10/15/18

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq*.

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Keene Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs, including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Keene Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Exhibit B

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Contractor: Cheshire Medical Center

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2019)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 461,200.00	$ 46,120.00	$ 507,320.00	$ -	$ -	$ -	$ 461,200.00	$ 46,120.00	$ 507,320.00
2. Employee Benefits	$ 12,405.00	$ 1,240.60	$ 13,645.60	$ -	$ -	$ -	$ 12,405.00	$ 1,240.60	$ 13,645.60
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Computers, Printer/fax, telephones	$ 42,700.00	$ 4,191.20	$ 46,891.20	$ -	$ -	$ -	$ 42,700.00	$ 4,191.20	$ 46,891.20
Office	$ 1,000.00	$ 100.00	$ 1,100.00	$ -	$ -	$ -	$ 1,000.00	$ 100.00	$ 1,100.00
6. Travel	$ 1,635.00	$ 163.50	$ 1,798.50	$ -	$ -	$ -	$ 1,635.00	$ 163.50	$ 1,798.50
7. Occupancy	$ 98,100.00	$ 9,810.00	$ 107,910.00	$ -	$ -	$ -	$ 98,100.00	$ 9,810.00	$ 107,910.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Telephone	$ 3,500.00	$ 350.00	$ 3,850.00	$ -	$ -	$ -	$ 3,500.00	$ 350.00	$ 3,850.00
Postage	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Utilities	$ 7,000.00	$ 700.00	$ 7,700.00				$ 7,000.00	$ 700.00	$ 7,700.00
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
10. Marketing/Communications	$ 10,000.00	$ 1,000.00	$ 11,000.00	$ -	$ -	$ -	$ 10,000.00	$ 1,000.00	$ 11,000.00
11. Staff Education and Training	$ 10,000.00	$ 1,000.00	$ 11,000.00	$ -	$ -	$ -	$ 10,000.00	$ 1,000.00	$ 11,000.00
12. Subcontracts/Agreements									
13. Other (specific details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Naloxone	$ 45,000.00	$ 4,500.00	$ 49,500.00	$ -	$ -	$ -	$ 45,000.00	$ 4,500.00	$ 49,500.00
Flex Funds	$ 51,810.00	$ 5,176.70	$ 56,986.70	$ -	$ -	$ -	$ 51,810.00	$ 5,176.70	$ 56,986.70
Printing	$ 1,300.00	$ 130.00	$ 1,430.00	$ -	$ -	$ -	$ 1,300.00	$ 130.00	$ 1,430.00
TOTAL	$ 745,651.00	$ 74,482.00	$ 820,133.00	$ -	$ -	$ -	$ 745,651.00	$ 74,482.00	$ 820,133.00

Indirect As A Percent of Direct: 10.0%

Contractor Initials: KW
Date: 10/16/18

New Hampshire Department of Health and Human Services

Contractor: Cheshire Medical Center

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 461,200.00	$ 46,120.00	$ 507,320.00	$ -	$ -	$ -	$ 461,200.00	$ 46,120.00	$ 507,320.00
2. Employee Benefits	$ 12,406.00	$ 1,240.60	$ 13,646.60	$ -	$ -	$ -	$ 12,406.00	$ 1,240.60	$ 13,646.60
3. Consultants	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Rental	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Repair and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Purchase/Depreciation	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Educational	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Lab	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Pharmacy	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Medical	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Office	$ 2,228.00	$ 222.80	$ 2,450.80	$ -	$ -	$ -	$ 2,228.00	$ 222.80	$ 2,450.80
6. Travel	$ 1,635.00	$ 163.50	$ 1,798.50	$ -	$ -	$ -	$ 1,635.00	$ 163.50	$ 1,798.50
7. Occupancy	$ 38,100.00	$ 3,810.00	$ 41,910.00	$ -	$ -	$ -	$ 38,100.00	$ 3,810.00	$ 41,910.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Telephone	$ 3,500.00	$ 350.00	$ 3,850.00	$ -	$ -	$ -	$ 3,500.00	$ 350.00	$ 3,850.00
Postage	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Subscriptions	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Audit and Legal	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Insurance	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Utilities	$ 7,000.00	$ 700.00	$ 7,000.00				$ 7,000.00	$ 700.00	$ 7,700.00
Board Expenses	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
9. Software	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
10. Marketing/Communications	$ 15,000.00	$ 1,500.00	$ 16,500.00	$ -	$ -	$ -	$ 15,000.00	$ 1,500.00	$ 16,500.00
11. Staff Education and Training	$ 10,000.00	$ 1,000.00	$ 11,000.00	$ -	$ -	$ -	$ 10,000.00	$ 1,000.00	$ 11,000.00
12. Subcontracts/Agreements		$ -							
13. Other (specify details mandatory):	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Naloxone	$ 90,000.00	$ 9,000.00	$ 99,000.00	$ -	$ -	$ -	$ 90,000.00	$ 9,000.00	$ 99,000.00
Flex Funds	$ 60,800.00	$ 6,072.10	$ 66,872.10	$ -	$ -	$ -	$ 60,800.00	$ 6,072.10	$ 66,872.10
Printing	$ 1,300.00	$ 130.00	$ 1,430.00	$ -	$ -	$ -	$ 1,300.00	$ 130.00	$ 1,430.00
TOTAL	$ 703,169.00	$ 70,309.00	$ 773,478.00	$ -	$ -	$ -	$ 703,169.00	$ 70,309.00	$ 773,478.00
Indirect As A Percent of Direct		10.0%							

Contractor Initials KW
Date 10/16/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

Contractor Initials KW
Date 10/16/18

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   1.2. Establishing an ongoing drug-free awareness program to inform employees about
      1.2.1. The dangers of drug abuse in the workplace;
      1.2.2. The grantee's policy of maintaining a drug-free workplace;
      1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
      1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
      1.4.1. Abide by the terms of the statement; and
      1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted

1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/16/18
Date

Kathryn Willbarger
Name: Kathryn Willbarger
Title: VP Finance

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/16/19
Date

Kathryn Willbarger
Name: Kathryn Willbarger
Title: VP Finance

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/16/18
Date

Kathryn Wuebarger
Name: Kathryn Wuebarger
Title: VP Finance

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/16/18
Date

Kathryn Willbarger
Name: KATHRYN WILLBARGER
Title: VP FINANCE

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/10/18
Date

Kaymm Willbarger
Name: Kaymm Willbarger
Title: VP Finance

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.
In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/16/18
Date

Kathryn Wittberger
Name: Kathryn Wittberger
Title: VP Finance

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 073970238000

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   ✓ NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO ✓ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

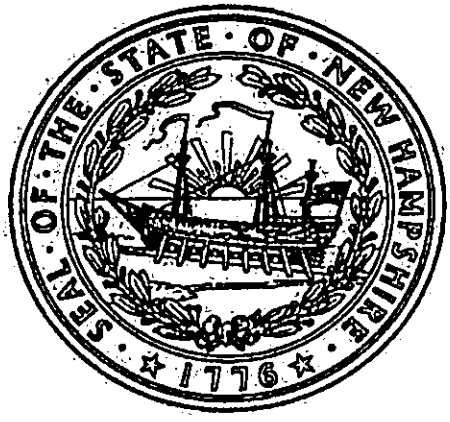
State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE CHESHIRE MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 31, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **62567**

Certificate Number: **0004195875**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 10th day of October A.D. 2018.

William M. Gardner

Secretary of State

CERTIFICATE OF VOTE

I, H. Roger Hansen, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Cheshire Medical Center.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of

the Agency duly held on October 15, 2018:
(Date)

RESOLVED: That the Vice President, Finance
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the 16 day of October, 2018.
(Date Contract Signed)

4. Kathryn Willbarger is the duly elected Vice President, Finance
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

H Roger Hansen
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 16th day of October, 2018,

By H. Roger Hansen.
(Name of Elected Officer of the Agency)

Ann M Gagnon
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: October 1, 2019

ANN M. GAGNON
Notary Public - New Hampshire
My Commission Expires October 1, 2019

RESOLUTION

OF THE BOARD OF TRUSTEES

OF

CHESHIRE MEDICAL CENTER

Be it resolved that the Board of Trustees of the Cheshire Medical Center authorizes Don Caruso, MD or Kathryn Willbarger, Vice President, Finance, on behalf of Cheshire Medical Center to enter into a contract with the State of New Hampshire for System of Care for Substance Use Services to address the Opioid Epidemic in New Hampshire and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate.

Dated: October 15, 2018

H. Roger Hansen, Chair
Cheshire Medical Center
Board of Trustees

CERTIFICATE OF INSURANCE

DATE: October 12, 2018

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Cheshire Medical Center
580 Court Street
Keene, NH 03431

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

The Policy listed below has been issued to the Named Insured above for the Policy Period notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued. The insurance afforded by the policy n is subject to all the terms, exclusions and conditions of the policy. Limits shown may have been reduced by paid claims. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY	0002018-A	07/01/2018	06/30/2019	EACH OCCURRENCE	$1,000,000
				PRODUCTS-COMP/OP AGGREGATE	
X CLAIMS MADE				PERSONAL ADV INJURY	
				GENERAL AGGREGATE	$3,000,000
OCCURRENCE				FIRE DAMAGE	
OTHER				MEDICAL EXPENSES	
PROFESSIONAL LIABILITY				EACH CLAIM	
CLAIMS MADE				ANNUAL AGGREGATE	
OCCURENCE					
OTHER					

DESCRIPTION OF OPERATIONS /LOCATIONS/ VERHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTION)

Certificate of Insurance issued as evidence of insurance for purpose of grant application dated 10-12-2018.

CERTIFICATE HOLDER

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES

CERTIFICATE OF INSURANCE

DATE: 10/11/2018

COMPANY AFFORDING COVERAGE
Hamden Assurance Risk Retention Group, Inc.
P.O. Box 1687
30 Main Street, Suite 330
Burlington, VT 05401

INSURED
Mary Hitchcock Memorial Hospital – DH-H
One Medical Center Drive
Lebanon, NH 03756
(603)653-6850

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COVERAGES

This is to certify that the Policy listed below have been issued to the Named Insured above for the Policy Period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims. This policy issued by a risk retention group may not be subject to all insurance laws and regulations in all states. State insurance insolvency funds are not available to a risk retention group policy.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
GENERAL LIABILITY		0002018-A	07/01/2018	06/30/2019	EACH OCCURRENCE	$1,000,000
					PRODUCTS-COMP/OP AGGREGATE	
X	CLAIMS MADE				PERSONAL ADV INJURY	
					GENERAL AGGREGATE	$3,000,000
	OCCURRENCE				FIRE DAMAGE	
OTHER					MEDICAL EXPENSES	
PROFESSIONAL LIABILITY					EACH CLAIM	
	CLAIMS MADE				ANNUAL AGGREGATE	
	OCCURENCE					
OTHER						

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

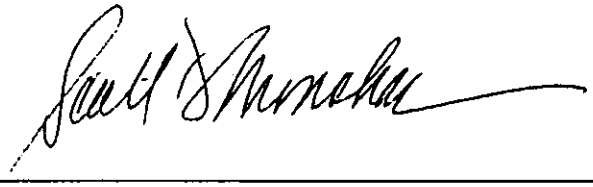
Certificate of Insurance issued as evidence of insurance.

CERTIFICATE HOLDER

NH Dept. of Health & Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION
Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



DARTHIT-01 DMCDONALD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/10/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 100 Central Street, Suite 201 Holliston, MA 01746	CONTACT NAME: Dan McDonald PHONE (A/C, No, Ext): (508) 808-7293 FAX (A/C, No): (866) 235-7129 E-MAIL ADDRESS: dan.mcdonald@hubinternational.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Safety National Casualty Corporation — 15105
INSURED Dartmouth-Hitchcock Health 1 Medical Center Dr. Lebanon, NH 03756	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N ☐ N/A If yes, describe under DESCRIPTION OF OPERATIONS below			AGC4059104	07/01/2018	07/01/2019	X PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Workers Compensation coverage for Cheshire Medical Center

CERTIFICATE HOLDER

NH DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Cheshire Medical Center
Dartmouth-Hitchcock

OUR MISSION: To lead our community to optimal health and wellness through our clinical and service excellence, collaboration, and compassion for every patient, every time.

OUR VISION: To continually improve the health outcomes of the people we care for through our role in providing high-value health care; remaining a sustainable resource for our region.

Approved by the
Cheshire Medical Center Board of Trustees
June 7, 2017

Dartmouth-Hitchcock Health and Subsidiaries

Consolidated Financial Statements
June 30, 2017 and 2016

Dartmouth-Hitchcock Health and Subsidiaries
Index
June 30, 2017 and 2016

Report of Independent Auditors

To the Board of Trustees of
Dartmouth-Hitchcock Health and Subsidiaries

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health and Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Alice Peck Day Hospital, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 2.8% of consolidated total assets at June 30, 2017, and total revenues of 3.3% of consolidated total revenues for the year then ended. We did not audit the consolidated financial statements of The Cheshire Medical Center, a subsidiary whose sole member is Dartmouth-Hitchcock Health, which statements reflect total assets of 8.8% of consolidated total assets at June 30, 2016, and total revenues of 9.2% of consolidated total revenues for the year then ended. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Alice Peck Day Hospital as of and for the year ended June 30, 2017 and The Cheshire Medical Center as of and for the year ended June 30, 2016, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Health System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the

overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Health System as of June 30, 2017 and 2016, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 17, 2017

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Balance Sheets
June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 68,498	$ 40,592
Patient accounts receivable, net of estimated uncollectibles of $121,340 and $118,403 at June 30, 2017 and 2016 (Note 4)	237,260	260,988
Prepaid expenses and other current assets	89,203	95,820
Total current assets	394,961	397,400
Assets limited as to use (Notes 5 and 7)	662,323	592,468
Other investments for restricted activities (Notes 5 and 7)	124,529	142,036
Property, plant, and equipment, net (Note 6)	609,975	612,564
Other assets	97,120	87,266
Total assets	$ 1,888,908	$ 1,831,734
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	$ 18,357	$ 18,307
Line of credit (Note 13)	-	36,550
Current portion of liability for pension and other postretirement plan benefits (Note 11)	3,220	3,176
Accounts payable and accrued expenses (Note 13)	89,160	107,544
Accrued compensation and related benefits	114,911	103,554
Estimated third-party settlements (Note 4)	27,433	19,650
Total current liabilities	253,081	288,781
Long-term debt, excluding current portion (Note 10)	616,403	625,341
Insurance deposits and related liabilities (Note 12)	50,960	56,887
Interest rate swaps (Notes 7 and 10)	20,916	28,917
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	282,971	272,493
Other liabilities	90,548	69,811
Total liabilities	1,314,879	1,342,230
Commitments and contingencies (Notes 4, 6, 7, 10, and 13)		
Net assets		
Unrestricted (Note 9)	424,947	360,183
Temporarily restricted (Notes 8 and 9)	94,917	75,731
Permanently restricted (Notes 8 and 9)	54,165	53,590
Total net assets	574,029	489,504
Total liabilities and net assets	$ 1,888,908	$ 1,831,734

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted revenue and other support		
Net patient service revenue, net of contractual allowances and discounts	$ 1,859,192	$ 1,689,275
Provision for bad debts	63,645	55,121
Net patient service revenue less provision for bad debts	1,795,547	1,634,154
Contracted revenue (Note 2)	43,671	65,982
Other operating revenue (Note 2 and 5)	119,177	82,352
Net assets released from restrictions	11,122	9,219
Total unrestricted revenue and other support	1,969,517	1,791,707
Operating expenses		
Salaries	966,352	872,465
Employee benefits	244,855	234,407
Medical supplies and medications	306,080	309,814
Purchased services and other	289,805	255,141
Medicaid enhancement tax (Note 4)	65,069	58,565
Depreciation and amortization	84,562	80,994
Interest (Note 10)	19,838	19,301
Total operating expenses	1,976,561	1,830,687
Operating loss	(7,044)	(38,980)
Nonoperating gains (losses)		
Investment gains (losses) (Notes 5 and 10)	51,056	(20,103)
Other losses	(4,153)	(3,845)
Contribution revenue from acquisition (Note 3)	20,215	18,083
Total nonoperating gains (losses), net	67,118	(5,865)
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Unrestricted net assets		
Excess (deficiency) of revenue over expenses	$ 60,074	$ (44,845)
Net assets released from restrictions	1,839	3,248
Change in funded status of pension and other postretirement benefits (Note 11)	(1,587)	(66,541)
Other changes in net assets	(3,364)	-
Change in fair value of interest rate swaps (Note 10)	7,802	(5,873)
Increase (decrease) in unrestricted net assets	64,764	(114,011)
Temporarily restricted net assets		
Gifts, bequests, sponsored activities	26,592	12,227
Investment gains	1,677	518
Change in net unrealized gains on investments	3,775	(1,674)
Net assets released from restrictions	(12,961)	(12,467)
Contribution of temporarily restricted net assets from acquisition	103	670
Increase (decrease) in temporarily restricted net assets	19,186	(726)
Permanently restricted net assets		
Gifts and bequests	300	699
Investment gains (losses) in beneficial interest in trust	245	(219)
Contribution of permanently restricted net assets from acquisition	30	29
Increase in permanently restricted net assets	575	509
Change in net assets	84,525	(114,228)
Net assets		
Beginning of year	489,504	603,732
End of year	$ 574,029	$ 489,504

The accompanying notes are an integral part of these consolidated financial statements.

Dartmouth-Hitchcock Health and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

(in thousands of dollars)	2017	2016
Cash flows from operating activities		
Change in net assets	$ 84,525	$ (114,228)
Adjustments to reconcile change in net assets to net cash (used) provided by operating and nonoperating activities		
Change in fair value of interest rate swaps	(8,001)	4,177
Provision for bad debt	63,645	55,121
Depreciation and amortization	84,711	81,138
Contribution revenue from acquisition	(20,348)	(18,782)
Change in funded status of pension and other postretirement benefits	1,587	66,541
Loss on disposal of fixed assets	1,703	2,895
Net realized (gain) losses and change in net unrealized (gain) losses on investments	(57,255)	27,573
Restricted contributions and investment earnings	(4,374)	(4,301)
Proceeds from sales of securities	809	496
Loss from debt defeasance	381	-
Changes in assets and liabilities		
Patient accounts receivable, net	(35,811)	(101,567)
Prepaid expenses and other current assets	7,386	4,767
Other assets, net	(8,934)	2,188
Accounts payable and accrued expenses	(17,820)	(23,668)
Accrued compensation and related benefits	10,349	5,343
Estimated third-party settlements	7,783	(3,652)
Insurance deposits and related liabilities	(5,927)	(14,589)
Liability for pension and other postretirement benefits	8,935	15,599
Other liabilities	11,431	2,109
Net cash provided (used) by operating and nonoperating activities	124,775	(12,840)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(77,361)	(73,021)
Proceeds from sale of property, plant, and equipment	1,087	612
Purchases of investments	(259,201)	(67,117)
Proceeds from maturities and sales of investments	276,934	66,105
Cash received through acquisition	3,564	12,619
Net cash used by investing activities	(54,977)	(60,802)
Cash flows from financing activities		
Proceeds from line of credit	65,000	140,600
Payments on line of credit	(101,550)	(105,250)
Repayment of long-term debt	(48,506)	(104,343)
Proceeds from issuance of debt	39,064	140,031
Payment of debt issuance costs	(274)	(14)
Restricted contributions and investment earnings	4,374	4,301
Net cash (used) provided by financing activities	(41,892)	75,325
Increase in cash and cash equivalents	27,906	1,683
Cash and cash equivalents		
Beginning of year	40,592	38,909
End of year	$ 68,498	$ 40,592
Supplemental cash flow information		
Interest paid	$ 23,407	$ 22,298
Asset depreciation due to affiliations	-	(960)
Net assets acquired as part of acquisition, net of cash aquired	16,784	6,163
Building construction in process financed by a third party	8,426	-
Construction in progress included in accounts payable and accrued expenses	14,669	16,427
Equipment acquired through issuance of capital lease obligations	-	2,001
Donated securities	809	688

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (D-HH) serves as the sole corporate member of Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (DHC) (collectively referred to as "Dartmouth-Hitchcock" (D-H)), New London Hospital Association (NLH), Mt. Ascutney Hospital and Health Center (MAHHC), The Cheshire Medical Center (Cheshire), Alice Peck Day Memorial Hospital (APD) and Visiting Nurse & Hospice for VT and NH (VNH).

The "Health System" consists of D-HH, its affiliates and their subsidiaries.

The Health System currently operates one tertiary, one community and three acute care (critical access) hospitals in New Hampshire (NH) and Vermont (VT). One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Health System also operates multiple physician practices, a nursing home and a home health and hospice service. The Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

D-HH, MHMH, DHC, NLH, Cheshire, and APD are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC and VNH are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC.

Fiscal year 2017 includes a full year of operations of D-HH, D-H, NLH, MAHHC, Cheshire, APD and VNH. Fiscal year 2016 includes a full year of operations of D-HH, D-H, NLH, MAHHC and Cheshire, four months of operations of APD and no activity for VNH.

Community Benefits
The mission of the Health System is to advance health through clinical practice and community partnerships, research and education, providing each person the best care, in the right place, at the right time, every time.

Consistent with this mission, the Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient's ability to pay. The Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Health System also seeks to work collaboratively with other area healthcare providers to improve the health status of the region. As a component of an integrated academic medical center, the Health System provides significant support for academic and research programs.

The Health System files annual Community Benefits Reports with the State of NH which outlines the community and charitable benefits it provides. VT hospitals are not required by law to file a state community benefit report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *Community health services* include activities carried out to improve community health and could include community health education (such as lectures, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).

- *Subsidized health services* are services provided by the Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available to participate unless the responsibility was assumed by the government.

- *Research support and other grants* represent costs in excess of awards for numerous health research and service initiatives awarded to the organizations within the Health System.

- *Community health-related initiatives* occur outside of the organization(s) through various financial contributions of cash, in-kind, and grants to local organizations.

- *Community-building activities* include cash, in-kind donations, and budgeted expenditures for the development of programs and partnerships intended to address social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement. Community benefit operations includes costs associated with staff dedicated to administering benefit programs, community health needs assessment costs, and other costs associated with community benefit planning and operations.

- *Charity care (financial assistance)* represents services provided to patients who cannot afford healthcare services due to inadequate financial resources which result from being uninsured or underinsured. For the years ended June 30, 2017 and 2016, the Health System provided financial assistance to patients in the amount of approximately $29,934,000 and $30,637,000, respectively, as measured by gross charges. The estimated cost of providing this care for the years ended June 30, 2017 and 2016 was approximately $12,173,000 and $12,257,000, respectively. The estimated costs of providing charity care services are determined applying a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of costs to charges is calculated using total expenses, less bad debt, divided by gross revenue.

- *Government-sponsored healthcare services* are provided to Medicaid and Medicare patients at reimbursement levels that are significantly below the cost of the care provided.

- *The uncompensated cost of care for Medicaid* patients reported in the unaudited Community Benefits Reports for 2016 was approximately $124,371,000. The 2017 Community Benefits Reports are expected to be filed in February 2018.

The following table summarizes the value of the community benefit initiatives outlined in the Health System's most recently filed Community Benefit Reports for the year ended June 30, 2016:

(Unaudited, in thousands of dollars)

Government-sponsored healthcare services	$	281,014
Health professional education		32,561
Subsidized health services		25,846
Charity care		10,769
Community health services		5,701
Research		3,417
Financial contributions		1,792
Community building activities		1,789
Community benefit operations		1,107
Total community benefit value	$	363,996

The Health System also provides a significant amount of uncompensated care to its patients that are reported as provision for bad debts, which is not included in the amounts reported above. During the years ended June 30, 2017 and 2016, the Health System reported a provision for bad debt expense of approximately $63,645,000 and $55,121,000, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954 *Healthcare Entities* (ASC 954), which addresses the accounting for healthcare entities. In accordance with the provisions of ASC 954, net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include the allowance for estimated uncollectible accounts and contractual allowances, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

Excess (Deficiency) of Revenue over Expenses
The consolidated statements of operations and changes in net assets include the excess (deficiency) of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income on unrestricted investments, which are utilized to provide charity and other operational support. Peripheral activities, including unrestricted contribution income from acquisitions, realized gains/losses on sales of investment securities and changes in unrealized gains/losses in investments are reported as nonoperating gains (losses).

Changes in unrestricted net assets which are excluded from the excess (deficiency) of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), change in funded status of pension and other postretirement benefit plans, and the effective portion of the change in fair value of interest rate swaps.

Charity Care and Provision for Bad Debts
The Health System provides care to patients who meet certain criteria under their financial assistance policies without charge or at amounts less than their established rates. Because the Health System does not anticipate collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Health System grants credit without collateral to patients. Most are local residents and are insured under third-party arrangements. Additions to the allowance for uncollectible accounts are made by means of the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance and subsequent recoveries are added. The amount of the provision for bad debts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and bad debt expense. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue
The Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Health System and also lease space and equipment. Revenue pursuant to these PSAs and certain facility and equipment leases and other professional service contracts have been classified as contracted revenue in the accompanying consolidated statements of operations and changes in net assets.

Other Revenue
The Health System recognizes other revenue which is not related to patient medical care but is central to the day-to-day operations of the Health System. This revenue includes retail pharmacy, joint operating agreements, grant revenue, cafeteria sales, meaningful use incentive payments and other support service revenue.

Cash Equivalents
Cash equivalents include investments in highly liquid investments with maturities of three months or less when purchased, excluding amounts where use is limited by internal designation or other arrangements under trust agreements or by donors.

Investments and Investment Income
Investments in equity securities with readily determinable fair values, mutual funds and pooled/comingled funds, and all investments in debt securities are considered to be trading securities reported at fair value with changes in fair value included in the excess (deficiency) of revenues over expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (Note 7).

Investments in pooled/commingled investment funds, private equity funds and hedge funds that represent investments where the Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess (deficiency) of revenues over expenses. All investments, whether held at fair value or under the equity method of accounting, are reported at what the Health System believes to be the amount they would expect to receive if it liquidated its investments at the balance sheet dates on a nondistressed basis.

Certain affiliates of the Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Health System's board-designated and restricted assets were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on unrestricted investments, change in value of equity method investments, interest, and dividends) are included in the excess (deficiency) of revenue over expenses and classified as nonoperating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

Fair Value Measurement of Financial Instruments
The Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities.
Level 2	Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement.
Level 3	Prices or valuation techniques that are both significant to the fair value measurement and unobservable.

The Health System applies the accounting provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)* (ASU 2009-12). ASU 2009-12 allows for the estimation of fair value of investments for which the investment does not have a readily determinable fair value, to use net asset value (NAV) per share or its equivalent as a practical expedient, subject to the Health System's ability to redeem its investment.

The carrying amount of patient accounts receivable, prepaid and other current assets, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments.

Property, Plant, and Equipment
Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives which range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term, or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost associated with the retirement is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the actual cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets.

Gifts of capital assets such as land, buildings, or equipment are reported as unrestricted support, and excluded from the excess (deficiency) of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of capital assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire capital assets are reported as restricted support. Absent explicit donor stipulations about how long those capital assets must be maintained, expirations of donor restrictions are reported when the donated or acquired capital assets are placed in service.

Bond Issuance Costs
Bond issuance costs, classified on the consolidated balance sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within depreciation and amortization in the consolidated statements of operations and changes in net assets using the straight-line method which approximates the effective interest method.

Trade Names
The Health System records trade names as intangible assets within other assets on the consolidated statements of financial position. The Health System considers trade names to be indefinite-lived assets, assesses them at least annually for impairment or more frequently if certain events or circumstances warrant and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Health System has recorded $2,700,000 as intangible assets associated with its affiliations as of June 30, 2017 and 2016. There were no impairment charges recorded for the years ended June 30, 2017 and 2016.

Derivative Instruments and Hedging Activities
The Health System applies the provisions of ASC 815, *Derivatives and Hedging*, to its derivative instruments, which require that all derivative instruments be recorded at their respective fair values in the consolidated balance sheets.

On the date a derivative contract is entered into, the Health System designates the derivative as a cash-flow hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability. For all hedge relationships, the Health System formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking cash-flow hedges to specific assets and liabilities on the consolidated balance sheets, specific firm commitments or forecasted transactions. The Health System also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in variability of cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in unrestricted net assets until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a cash-flow hedge is reported in excess (deficiency) of revenue over expenses in the consolidated statements of operations and changes in net assets.

The Health System discontinues hedge accounting prospectively when it is determined: (a) the derivative is no longer effective in offsetting changes in the cash flows of the hedged item; (b) the derivative expires or is sold, terminated, or exercised; (c) the derivative is undesignated as a hedging instrument because it is unlikely that a forecasted transaction will occur; (d) a hedged firm commitment no longer meets the definition of a firm commitment; and (e) management determines that designation of the derivative as a hedging instrument is no longer appropriate.

In all situations in which hedge accounting is discontinued, the Health System continues to carry the derivative at its fair value on the consolidated balance sheets and recognizes any subsequent changes in its fair value in excess (deficiency) of revenue over expenses.

Gifts and Bequests
Unrestricted gifts and bequests are recorded net of related expenses as nonoperating gains. Conditional promises to give and indications of intentions to give to the Health System are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09 - *Revenue from Contracts with Customers* at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance in accordance with accounting principles generally accepted in the United States of America and international accounting standards. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. Qualitative and quantitative disclosures will be required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The original standard was effective for fiscal years beginning after December 15, 2016; however, in July 2015, the FASB approved a one-year deferral of this standard, with a new effective date for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System. The Health System is evaluating the impact this will have on the consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03 - *Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, which requires all costs incurred to issue debt to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability. The Health System implemented the new standard during the year ended June 30, 2017 and reclassified $3,933,000 as of June 30, 2016, to conform to the 2017 presentation.

In February 2016, the FASB issued ASU 2016-02 - *Leases*, which requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The ASU is effective for fiscal years beginning after December 15, 2018, or fiscal year 2020 for the Health System. Early adoption is permitted once ASU 2014-09 has been adopted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01- *Recognition and Measurement of Financial Assets and Financial Liabilities*, which address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This guidance allows an entity to choose, investment-by-investment, to report an equity investment that neither has a readily determinable fair value, nor qualifies for the practical expedient for fair value estimation using NAV, at its cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issue. Impairment of such investments must be assessed qualitatively at each reporting period. Entities must disclose their financial assets and liabilities by measurement category and form of asset either on the face of the balance sheet or in the accompanying notes. The ASU is effective for annual reporting periods beginning after December 15, 2018 or fiscal year 2020 for the Health System. The provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) may be early adopted. The Health System implemented this aspect of the new standard during the year ended June 30, 2017.

In August 2016, the FASB issued ASU 2016-14 - *Presentation of Financial Statements for Not-for-Profit Entities*, which makes targeted changes to the not-for-profit financial reporting model. Under the new ASU, net asset reporting will be streamlined and clarified. The existing three-category classification of net assets will be replaced with a simplified model that combines temporarily

restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. Not-for-profits will continue to have flexibility to decide whether to report an operating subtotal and if so, to self-define what is included or excluded. However, transparent disclosure must be provided if the operating subtotal includes internal transfers made by the governing board. The ASU also imposes several new requirements related to reporting expenses, including providing information about expenses by their natural classification. The ASU is effective for fiscal years beginning after December 15, 2017 or fiscal year 2019 for the Health System and early adoption is permitted. The Health System is evaluating the impact of the new guidance on the consolidated financial statements.

Reclassifications
Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

3. Acquisitions

Effective July 1, 2016, D-HH became the sole corporate member of VNH through an affiliation agreement. VNH is a not-for-profit corporation organized in VT providing home health, hospice and community based services to residents of NH and VT.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Health System recorded contribution income of approximately $20,348,000, reflecting the fair value of the contributed net assets of VNH, on the transaction date. Of this amount $20,215,000 represents unrestricted net assets and is included as a nonoperating gain in the accompanying consolidated statement of operations. Restricted contribution income of $103,000 and $30,000 was recorded within temporarily and permanently restricted net assets, respectively in the accompanying consolidated statement of changes in net assets. No consideration was exchanged for the net assets contributed and acquisition costs were expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by VNH at July 1, 2016 were as follows:

(in thousands of dollars)

Assets		
Cash and cash equivalents	$	3,564
Patient accounts receivable, net		4,107
Property, plant, and equipment, net		436
Other assets		15,323
Total assets acquired	$	23,430
Liabilities		
Accounts payable and accrued expenses	$	1,194
Accrued compensation and related benefits		1,008
Other liabilities		880
Total liabilities assumed		3,082
Net Assets		
Unrestricted		20,215
Temporarily restricted		103
Permanently restricted		30
Total net assets		20,348
Total liabilities and net assets	$	23,430

A summary of the financial results of VNH included in the consolidated statement of operations and changes in net assets for the period from the date of acquisition (July 1, 2016) through June 30, 2017 is as follows:

(in thousands of dollars)

Total operating revenues	$	22,964
Total operating expenses		22,707
Operating gain		257
Nonoperating gains		2,604
Excess of revenue over expenses		2,861
Net assets transferred to affiliate		20,348
Changes in temporarily and permanently restricted net assets		(103)
Increase in net assets	$	23,106

A summary of the consolidated financial results of the Health System for the year ended June 30, 2016 as if the transaction had occurred on July 1, 2015 are as follows (unaudited):

(in thousands of dollars)

Total operating revenues	$ 1,813,935
Total operating expenses	1,852,896
Operating loss	(38,961)
Nonoperating gains	(5,953)
(Deficiency) of revenue over expenses	(44,914)
Net assets released from restriction used for capital purchases	3,248
Change in funded status of pension and other post retirement benefits	(66,541)
Other changes in net assets	-
Change in fair value on interest rate swaps	(5,873)
(Decrease) increase in unrestricted net assets	$ (114,080)

4. Patient Service Revenue and Accounts Receivable

Patient service revenue is reported net of contractual allowances and the provision for bad debts as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Gross patient service revenue	$ 4,865,332	$ 4,426,305
Less: Contractual allowances	3,006,140	2,737,030
Provision for bad debt	63,645	55,121
Net patient service revenue	$ 1,795,547	$ 1,634,154

Accounts receivable are reduced by an allowance for estimated uncollectibles. In evaluating the collectability of accounts receivable, the Health System analyzes past collection history and identifies trends for several categories of self-pay accounts (uninsured, residual balances, pre-collection accounts and charity) to estimate the appropriate allowance percentages in establishing the allowance for bad debt expense. Management performs collection rate look-back analyses on a quarterly basis to evaluate the sufficiency of the allowance for estimated uncollectibles. Throughout the year, after all reasonable collection efforts have been exhausted, the difference between the standard rates and the amounts actually collected, including contractual adjustments and uninsured discounts, will be written off against the allowance for estimated uncollectibles. In addition to the review of the categories of revenue, management monitors the write offs against established allowances as of a point in time to determine the appropriateness of the underlying assumptions used in estimating the allowance for estimated uncollectibles.

Accounts receivable, prior to adjustment for estimated uncollectibles, are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Receivables		
Patients	$ 90,786	$ 126,320
Third-party payors	263,240	244,716
Nonpatient	4,574	8,355
	$ 358,600	$ 379,391

The allowance for estimated uncollectibles is $121,340,000 and $118,403,000 as of June 30, 2017 and 2016.

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue for the years ended June 30, 2017 and 2016:

	2017	2016
Medicare	43 %	42 %
Anthem/blue cross	18	19
Commercial insurance	20	22
Medicaid	13	14
Self-pay/other	6	3
	100 %	100 %

The Health System has agreements with third-party payors that provide for payments at amounts different from their established rates. A summary of the acute care payment arrangements in effect during the years ended June 30, 2017 and 2016 with major third-party payors follows:

Medicare
The Health System's inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system. Under the system, outpatient services are reimbursed based on a pre-determined amount for each outpatient procedure, subject to various mandated modifications. The Health System is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subsequent audit of this report by the Medicare fiscal intermediary.

Certain of the Health System's affiliates qualify as Critical Access Hospitals (CAH), which are reimbursed by Medicare at 101% (subject to sequestration of 2%) of reasonable costs for its inpatient acute, swing bed, and outpatient services, excluding ambulance services and inpatient hospice care. They are reimbursed at an interim rate for cost based services with a final settlement determined by the Medicare Cost Report filing. Medicare reimburses nursing home and rehabilitation services based on an acuity driven prospective payment system with no retrospective settlement.

Medicaid
The Health System's payments for inpatient services rendered to NH Medicaid beneficiaries are based on a prospective payment system, while outpatient services are reimbursed on a retrospective cost basis or fee schedules. NH Medicaid Outpatient Direct Medical Education costs are reimbursed, as a pass-through, based on the filing of the Medicare cost report. Payment for inpatient and outpatient services rendered to VT Medicaid beneficiaries are based on prospective payment systems and the skilled nursing facility is reimbursed on a prospectively determined per diem rate.

During the years ended June 30, 2017 and 2016, the Health System recorded State of NH Medicaid Enhancement Tax (MET) and State of VT Provider Tax of $65,069,000 and $58,565,000, respectively. The taxes are calculated at 5.4% for NH and 6% for VT of certain net patient revenues in accordance with instructions received from the States. The provider taxes are included in operating expenses in the consolidated statements of operations and changes in net assets.

During fiscal year 2016, Vermont state legislation passed changes to the tax base for home health providers from 19.30% of core home health care services (primarily Medicaid services) with a cap of 6% of net patient service revenue to 3.63% of net patient revenue for fiscal year 2017 and fiscal year 2018. Home health provider tax paid, which is included in other operating expenses, was $645,000 and $528,000 in 2017 and 2016, respectively.

On June 30, 2014, the NH Governor signed into law a bi-partisan legislation reflecting an agreement between the State of NH and 25 NH hospitals on the Medicaid Enhancement Tax "SB 369". As part of the agreement the parties have agreed to resolve all pending litigation related to MET and Medicaid Rates, including the Catholic Medical Center Litigation, the Northeast Rehabilitation Litigation, 2014 DRA Refund Requests, and the State Rate Litigation. As part of the Medicaid Enhancement Tax Agreement effective July 1, 2014, a "Trust / Lock Box" dedicated fund mechanism will be established for receipt and distribution of all MET proceeds with all monies used exclusively to support Medicaid services. During the years ended June 30, 2017 and 2016, the Health System received disproportionate share hospital (DSH) payments of approximately $59,473,000 and $56,718,000, respectively which is included in net patient service revenue in the consolidated statement of operations and changes in net assets.

The Health Information Technology for Economic and Clinical Health (HITECH) Act included in the American Recovery and Reinvestment Act (ARRA) provides incentives for the adoption and use of health information technology by Medicare and Medicaid providers. The Health System has recognized other revenue of $1,156,000 and $2,330,000 in meaningful use incentives for both the Medicare and VT Medicaid programs during the years ended June 30, 2017 and 2016, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with laws and regulations can be subject to future government review and interpretation as well as significant regulatory action; failure to comply with such laws and regulations can result in fines, penalties and exclusion from the Medicare and Medicaid programs.

Other
For services provided to patients with commercial insurance, the Health System receives payment for inpatient services at prospectively determined rates-per-discharge, prospectively determined per diem rates or a percentage of established charges. Outpatient services are reimbursed on a fee schedule or at a discount from established charges.

Nonacute and physician services are paid at various rates under different arrangements with governmental payors, commercial insurance carriers and health maintenance organizations. The basis for payments under these arrangements includes prospectively determined per visit rates, discounts from established charges, fee schedules, and reasonable cost subject to limitations.

The Health System has provided for its estimated final settlements with all payors based upon applicable contracts and reimbursement legislation and timing in effect for all open years (2011 - 2015). The differences between the amounts provided and the actual final settlement, if any, is recorded as an adjustment to net patient service revenue as amounts become known or as years are no longer subject to audits, reviews and investigations. During 2017 and 2016, changes in prior estimates related to the Health System's settlements with third-party payors resulted in increases (decreases) in net patient service revenue of $2,000,000 and $(859,000) respectively, in the consolidated statements of operations and changes in net assets.

5. Investments

The composition of investments at June 30, 2017 and 2016 is set forth in the following table:

(in thousands of dollars)	2017	2016
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	$ 9,923	$ 12,915
U.S. government securities	44,835	33,578
Domestic corporate debt securities	100,953	65,610
Global debt securities	105,920	119,385
Domestic equities	129,548	100,009
International equities	95,167	61,768
Emerging markets equities	33,893	34,282
Real Estate Investment Trust	791	432
Private equity funds	39,699	33,209
Hedge funds	30,448	52,337
	591,177	513,525
Investments held by captive insurance companies (Note 12)		
U.S. government securities	18,814	22,484
Domestic corporate debt securities	21,681	29,123
Global debt securities	5,707	5,655
Domestic equities	9,048	7,830
International equities	13,888	11,901
	69,138	76,993
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	2,008	1,950
Total assets limited as to use	$ 662,323	$ 592,468

(in thousands of dollars)	2017	2016
Other investments for restricted activities		
Cash and short-term investments	$ 5,467	$ 12,219
U.S. government securities	28,096	21,351
Domestic corporate debt securities	27,762	33,203
Global debt securities	14,560	20,808
Domestic equities	18,451	19,215
International equities	15,499	13,986
Emerging markets equities	3,249	4,887
Real Estate Investment Trust	790	470
Private equity funds	3,949	4,780
Hedge funds	6,676	11,087
Other	30	30
Total other investments for restricted activities	$ 124,529	$ 142,036

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case by case basis. The fair value method is used when debt securities or equity securities are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above. All investments, whether the fair value or equity method of accounting is used, are reported at what the Health System believes to be the amount that the Health System would expect to receive if it liquidated its investments at the balance sheets date on a nondistressed basis.

The following tables summarize the investments by the accounting method utilized, as of June 30, 2017 and 2016. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

(in thousands of dollars)	2017		
	Fair Value	Equity	Total
Cash and short-term investments	$ 17,398	$ -	$ 17,398
U.S. government securities	91,745	-	91,745
Domestic corporate debt securities	121,631	28,765	150,396
Global debt securities	45,660	80,527	126,187
Domestic equities	144,618	12,429	157,047
International equities	29,910	94,644	124,554
Emerging markets equities	1,226	35,916	37,142
Real Estate Investment Trust	128	1,453	1,581
Private equity funds	-	43,648	43,648
Hedge funds	-	37,124	37,124
Other	30	-	30
	$ 452,346	$ 334,506	$ 786,852

(in thousands of dollars)	2016 Fair Value	2016 Equity	2016 Total
Cash and short-term investments	$ 27,084	$ -	$ 27,084
U.S. government securities	77,413	-	77,413
Domestic corporate debt securities	101,271	26,665	127,936
Global debt securities	40,356	105,492	145,848
Domestic equities	115,082	11,972	127,054
International equities	23,271	64,384	87,655
Emerging markets equities	331	38,838	39,169
Real estate investment trust	20	882	902
Private equity funds	-	37,989	37,989
Hedge funds	-	63,424	63,424
Other	30	-	30
	$ 384,858	$ 349,646	$ 734,504

Investment income (losses) is comprised of the following for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Unrestricted		
Interest and dividend income, net	$ 4,418	$ 5,088
Net realized gains (losses) on sales of securities	16,868	(1,223)
Change in net unrealized gains on investments	30,809	(22,980)
	52,095	(19,115)
Temporarily restricted		
Interest and dividend income, net	1,394	536
Net realized gains (losses) on sales of securities	283	(18)
Change in net unrealized gains on investments	3,775	(1,674)
	5,452	(1,156)
Permanently restricted		
Change in net unrealized gains (losses) on beneficial interest in trust	245	(219)
	245	(219)
	$ 57,792	$ (20,490)

For the years ended June 30, 2017 and 2016 unrestricted investment income (losses) is reflected in the accompanying consolidated statements of operations and changes in net assets as operating revenue of approximately $1,039,000 and $988,000 and as nonoperating gains (losses) of approximately $51,056,000 and ($20,103,000), respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner, but can be sold to third party buyers in private transactions that typically can be completed in approximately 90 days. It is the intent of the Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreement expires. Under the terms of these agreements, the Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2017 and 2016, the Health System has committed to contribute approximately $119,719,000 and

$116,851,000 to such funds, of which the Health System has contributed approximately $81,982,000 and $80,019,000 and has outstanding commitments of $37,737,000 and $36,832,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment are summarized as follows at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Land	$ 38,058	$ 33,004
Land improvements	37,579	36,899
Buildings and improvements	818,831	801,840
Equipment	766,667	744,443
Equipment under capital leases	20,495	20,823
	1,681,630	1,637,009
Less: Accumulated depreciation and amortization	1,101,058	1,046,617
Total depreciable assets, net	580,572	590,392
Construction in progress	29,403	22,172
	$ 609,975	$ 612,564

As of June 30, 2017 construction in progress primarily consists of the construction of the Hospice & Palliative Care Center and APD's medical office building, both in Lebanon, NH. The estimated cost to complete these projects at June 30, 2017 is $7,335,000 and $9,381,000, respectively.

The construction in progress for the Borwell building reported as of June 30, 2016 was completed during the first quarter of fiscal year 2017 and the building addition for New London at the Newport Health Center was completed in the second quarter of fiscal year 2017.

Depreciation and amortization expense included in operating and nonoperating activities was approximately $84,711,000 and $81,138,000 for 2017 and 2016, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

Cash and Short-Term Investments
Consists of money market funds and are valued at net asset value (NAV) reported by the financial institution.

Domestic, Emerging Markets and International Equities
Consists of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).

U.S. Government Securities, Domestic Corporate and Global Debt Securities
Consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

Interest Rate Swaps
The fair value of interest rate swaps, are determined using the present value of the fixed and floating legs of the swaps. Each series of cash flows are discounted by observable market interest rate curves and credit risk.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 17,398	$ -	$ -	$ 17,398	Daily	1
U.S. government securities	91,745	-	-	91,745	Daily	1
Domestic corporate debt securities	66,238	55,393	-	121,631	Daily–Monthly	1–15
Global debt securities	28,142	17,518	-	45,660	Daily–Monthly	1–15
Domestic equities	144,618	-	-	144,618	Daily–Monthly	1–10
International equities	29,870	40	-	29,910	Daily–Monthly	1–11
Emerging market equities	1,226	-	-	1,226	Daily–Monthly	1–7
Real estate investment trust	128	-	-	128	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	379,365	72,981	-	452,346		
Deferred compensation plan assets						
Cash and short-term investments	2,633	-	-	2,633		
U.S. government securities	37	-	-	37		
Domestic corporate debt securities	8,802	-	-	8,802		
Global debt securities	1,095	-	-	1,095		
Domestic equities	28,609	-	-	28,609		
International equities	9,595	-	-	9,595		
Emerging market equities	2,706	-	-	2,706		
Real estate	2,112	-	-	2,112		
Multi strategy fund	13,083	-	-	13,083		
Guaranteed contract	-	-	83	83		
Total deferred compensation plan assets	68,672	-	83	68,755	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,244	9,244	Not applicable	Not applicable
Total assets	$ 448,037	$ 72,981	$ 9,327	$ 530,345		
Liabilities						
Interest rate swaps	$ -	$ 20,916	$ -	$ 20,916	Not applicable	Not applicable
Total liabilities	$ -	$ 20,916	$ -	$ 20,916		

	2016					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets						
Investments						
Cash and short term investments	$ 27,084	$ -	$ -	$ 27,084	Daily	1
U.S. government securities	77,413	-	-	77,413	Daily	1
Domestic corporate debt securities	27,626	73,645	-	101,271	Daily–Monthly	1–15
Global debt securities	23,103	17,253	-	40,356	Daily–Monthly	1–15
Domestic equities	115,082	-	-	115,082	Daily–Monthly	1–10
International equities	23,271	-	-	23,271	Daily–Monthly	1–11
Emerging market equities	331	-	-	331	Daily–Monthly	1–7
Real estate investment trust	20	-	-	20	Daily–Monthly	1–7
Other	-	30	-	30	Not applicable	Not applicable
Total investments	293,930	90,928	-	384,858		
Deferred compensation plan assets						
Cash and short-term investments	2,478	-	-	2,478		
U.S. government securities	30	-	-	30		
Domestic corporate debt securities	6,710	-	-	6,710		
Global debt securities	794	-	-	794		
Domestic equities	23,502	-	-	23,502		
International equities	8,619	-	-	8,619		
Emerging market equities	2,113	-	-	2,113		
Real estate	2,057	-	-	2,057		
Multi strategy fund	9,188	-	-	9,188		
Guaranteed contract	-	-	80	80		
Total deferred compensation plan assets	55,491	-	80	55,571	Not applicable	Not applicable
Beneficial interest in trusts	-	-	9,087	9,087	Not applicable	Not applicable
Total assets	$ 349,421	$ 90,928	$ 9,167	$ 449,516		
Liabilities						
Interest rate swaps	$ -	$ 28,917	$ -	$ 28,917	Not applicable	Not applicable
Total liabilities	$ -	$ 28,917	$ -	$ 28,917		

The following table is a rollforward of the statements of financial instruments classified by the Health System within Level 3 of the fair value hierarchy defined above.

	2017		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,087	$ 80	$ 9,167
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	157	3	160
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,244	$ 83	$ 9,327

	2016		
(in thousands of dollars)	Beneficial Interest in Perpetual Trust	Guaranteed Contract	Total
Balances at beginning of year	$ 9,345	$ 78	$ 9,423
Purchases	-	-	-
Sales	-	-	-
Net unrealized gains (losses)	(258)	2	(256)
Net asset transfer from affiliate	-	-	-
Balances at end of year	$ 9,087	$ 80	$ 9,167

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 32,583	$ 44,561
Research	25,385	16,680
Purchase of equipment	3,080	2,826
Charity care	13,814	1,543
Health education	17,489	8,518
Other	2,566	1,603
	$ 94,917	$ 75,731

Permanently restricted net assets consist of the following at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Healthcare services	$ 22,916	$ 32,105
Research	7,795	7,767
Purchase of equipment	6,274	5,266
Charity care	6,895	2,991
Health education	10,228	5,408
Other	57	53
	$ 54,165	$ 53,590

Income earned on permanently restricted net assets is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include numerous funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Health System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Unrestricted net assets include funds designated by the Board of Trustees to function as endowments and the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Temporarily restricted net assets include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the funds are reclassified to unrestricted net assets.

In accordance with the Act, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2017 and 2016.

Endowment net asset composition by type of fund consists of the following at June 30, 2017 and 2016:

	2017			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 29,701	$ 45,756	$ 75,457
Board-designated endowment funds	26,389	-	-	26,389
Total endowed net assets	$ 26,389	$ 29,701	$ 45,756	$ 101,846

	2016			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 25,780	$ 45,402	$ 71,182
Board-designated endowment funds	26,205	-	-	26,205
Total endowed net assets	$ 26,205	$ 25,780	$ 45,402	$ 97,387

Changes in endowment net assets for the year ended June 30, 2017:

	2017			
(in thousands of dollars)	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Balances at beginning of year	$ 26,205	$ 25,780	$ 45,402	$ 97,387
Net investment return	283	5,285	2	5,570
Contributions	-	210	300	510
Transfers	-	(26)	22	(4)
Release of appropriated funds	(99)	(1,548)	-	(1,647)
Net asset transfer from affiliates	-	-	30	30
Balances at end of year	$ 26,389	$ 29,701	45,756	$ 101,846
Balances at end of year			45,756	
Beneficial interest in perpetual trust			8,409	
Permanently restricted net assets			$ 54,165	

Changes in endowment net assets for the year ended June 30, 2016:

	2016			
(in thousands of dollars)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at beginning of year	$ 26,405	$ 28,296	$ 44,491	$ 99,192
Net investment return	(54)	(1,477)	3	(1,528)
Contributions	-	271	699	970
Transfers	-	(216)	180	(36)
Release of appropriated funds	(146)	(1,094)	-	(1,240)
Net asset transfer from affiliates	-	-	29	29
Balances at end of year	$ 26,205	$ 25,780	45,402	$ 97,387
Balances at end of year			45,402	
Beneficial interest in perpetual trust			8,188	
Permanently restricted net assets			$ 53,590	

10. Long-Term Debt

A summary of long-term debt at June 30, 2017 and 2016 is as follows:

(in thousands of dollars)	2017	2016
Variable rate issues		
New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds		
Series 2015A, principal maturing in varying annual amounts, through August 2031 (2)	$ 82,975	$ 86,710
Series 2013, principal maturing in varying annual amounts, through August 2043 (10)	-	19,230
Vermont Educational and Health Buildings Financing Agency (VEHFBA) Revenue Bonds		
Series 2010A, principal maturing in varying annual amounts, through August 2030 (11)	-	7,881
Fixed rate issues		
New Hampshire Health and Education Facilities Authority Revenue Bonds		
Series 2016A, principal maturing in varying annual amounts, through August 2046 (1)	24,608	-
Series 2016B, principal maturing in varying annual amounts, through August 2046 (1)	10,970	-
Series 2014A, principal maturing in varying annual amounts, through August 2022 (4)	26,960	26,960
Series 2014B, principal maturing in varying annual amounts, through August 2033 (4)	14,530	14,530
Series 2012A, principal maturing in varying annual amounts, through August 2031 (5)	71,700	72,720
Series 2012B, principal maturing in varying annual amounts, through August 2031 (5)	39,340	39,900
Series 2012, principal maturing in varying annual amounts, through July 2039 (9)	26,735	27,490
Series 2010, principal maturing in varying annual amounts, through August 2040 (7)	75,000	75,000
Series 2009, principal maturing in varying annual amounts, through August 2038 (8)	57,540	63,370
Total variable and fixed rate debt	430,358	433,791

A summary of long-term debt at June 30, 2017 and 2016 is as follows (continued):

(in thousands of dollars)	2017	2016
Other		
Revolving Line of Credit, principal maturing through March 2019 (3)	49,750	49,750
Series 2012, principal maturing in varying annual amounts, through July 2025 (6)	136,000	140,000
Series 2010, principal maturing in varying annual amounts, through August 2040 (12)*	15,900	16,287
Note payable to a financial institution payable in interest free monthly installments through July 2015; collateralized by associated equipment*	811	313
Note payable to a financial institution due in monthly interest only payments from October 2011 through September 2012, and monthly installments from October 2012 through 2016, including principal and interest at 3.25%; collateralized by savings account*	-	2,952
Note payable to a financial institution with entire principal due June 2029 that is collateralized by land and building. The note payable is interest free*	437	494
Mortgage note payable to the US Dept of Agriculture; monthly payments of $10,892 include interest of 2.375% through November 2046*	2,763	-
Obligations under capital leases	3,435	4,875
Total other debt	209,096	214,671
Total variable and fixed rate debt	430,358	433,791
Total long-term debt	639,454	648,462
Less		
Original issue discount, net	862	881
Bond issuance costs, net	3,832	3,933
Current portion	18,357	18,307
	$ 616,403	$ 625,341

Aggregate annual principal payments required under revenue bond agreements and capital lease obligations for the next five years ending June 30 and thereafter are as follows:

(in thousands of dollars)	2017
2018	$ 18,357
2019	68,279
2020	19,401
2021	19,448
2022	19,833
Thereafter	494,136
	$ 639,454

Dartmouth-Hitchcock Obligated Group (DHOG) Bonds.

MHMH established the DHOG in 1993 for the original purpose of issuing bonds financed through NHHEFA or the "Authority". The members of the obligated group consist of MHMH, DHC, Cheshire, NLH and MAHHC. D-HH is designated as the obligated group agent.

Revenue Bonds issued by members of the DHOG are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive of which are the Annual Debt Service Coverage Ratio (1.10x) and the Days Cash on Hand Ratio (> 75 days).

(1) Series 2016A and 2016B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2016A and 2016B in July 2016 through a private placement with a financial institution. The Series 2016A Revenue Bonds were primarily used to refund Series 2013A and Series 2013B and the Series 2016B Revenue Bonds were used to finance 2016 projects. The Series 2016A Revenue Bonds mature in variable amounts through 2046. Interest is equal to the sum of .70 times one month LIBOR plus .70 times the spread. The variable rate as of June 30 2017 was 1.48% The Series 2016B is fixed with an interest rate of 1.78% and matures at various dates through 2046.

(2) Series 2015A Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2015A in September 2015 through a private placement with a financial institution. The Series 2015A Revenue Bonds were primarily used to refinance a portion of the Series 2011 Revenue Bonds and to cover cost of issuance. The Series 2015A Revenue Bonds accrue interest variably and mature at various dates through 2031 based on the one-month London Interbank Offered Rate (LIBOR). The variable rate as of June 30 2017 was 1.51%

(3) Revolving Line of Credit

Through the DHOG, entered into Revolving Line of Credit TD Bank, N.A. (TD Bank). Interest on the TD Bank loan accrues variably and matures at various dates through March 2019. The variable rate as of June 30 2017 was 1.63%

(4) Series 2014A and Series 2014B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2014A and Series 2014B in August 2014. The proceeds from the Series 2014A and 2014B Revenue Bonds were used to partially refund the Series 2009 Revenue Bonds and to cover cost of issuance. Interest on the 2014A Revenue Bonds is fixed with an interest rate of 2.63% and matures at various dates through 2022. Interest on the Series 2014B Revenue Bonds is fixed with an interest rate of 4.00% and matures at various dates through 2033.

(5) Series 2012A and 2012B Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2012A and Series 2012B in November 2012. The proceeds from the Series 2012A and 2012B were used to advance refund the Series 2002 Revenue Bonds and to cover cost of issuance. Interest on the 2012A Revenue Bonds is fixed with an interest rate of 2.29% and matures at various dates through 2031. Interest on the Series 2012B Revenue Bonds is fixed with an interest rate of 2.33% and matures at various dates through 2031.

(6) Series 2012 Bank Loan

Through the DHOG, issued the Bank of America, N.A. Series 2012 note, in July 2012. The proceeds from the Series 2012 note were used to prefund the D-H defined benefit pension plan. Interest on the Series 2012 note accrues at a fixed rate of 2.47% and matures at various dates through 2025.

(7) Series 2010 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2010, in June 2010. The proceeds from the Series 2010 Revenue Bonds were primarily used to construct a 140,000 square foot ambulatory care facility in Nashua, NH as well as various equipment. Interest on the bonds accrue at a fixed rate of 5.00% and mature at various dates through August 2040.

(8) Series 2009 Revenue Bonds

Through the DHOG, issued NHHEFA Revenue Bonds, Series 2009, in August 2009. The proceeds from the Series 2009 Revenue Bonds were primarily used to advance refund the Series 2008 Revenue Bonds. Interest on the Series 2009 Revenue Bonds accrue at varying fixed rates between 5.00% and 6.00% and mature at various dates through August 2038.

(9) Series 2012 Revenue Bonds

Issued through the NHHEFA $29,650,000 of tax-exempt Revenue Bonds Series 2012. The proceeds of these bonds were used to refund 1998 and 2009 Series Bonds, to finance the settlement cost of the interest rate swap, and to finance the purchase of certain equipment and renovations. The bonds are collateralized by an interest in its gross receipts under the terms of the bond agreement. The bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). Principal is payable in annual installments ranging from $780,000 to $1,750,000 through July 2039.

(10) Series 2013 Revenue Bonds

Issued through the NHHEFA $15,520,000 tax exempt Revenue Bonds Series 2013A. The Series 2013A funds were used to refund Series 2007 Revenue Bonds. Additional borrowings were obtained (up to $9,480,000 Revenue Bonds, Series 2013B) for the construction of a new health center building in Newport, NH. The bonds are collateralized by the gross receipts and property. The bonds mature in variable amounts through 2043, the maturity date of the bonds, but are subject to mandatory tender in ten years. Interest is payable monthly and is equal to the sum of .72 times the Adjusted LIBOR Rate plus .72 times the credit spread rate. As part of the bond refinancing, the swap arrangement was effectively terminated for federal tax purposes with

respect to the Series 2007 Revenue Bonds but remains in effect. These bonds were paid with the proceeds of the Series 2016A Revenue Bonds.

(11) Series 2010A Revenue Bonds

Issued through the VEHBFA $9,244,000 of Revenue Bonds Series 2010A. The funds were used to refund 2004 and 2005 Series A Bonds. The bonds are collateralized by gross receipts. The bonds shall bear interest at the one-month LIBOR rate plus 3.50%, multiplied by 6% adjusting monthly. The bonds were purchased by TD Bank on March 1, 2010. Principal payments began on April 1, 2010 for a period of 20 years ranging in amounts from $228,000 in 2014 to $207,000 in 2030. These bonds were refunded in July 2016.

Outstanding joint and several indebtedness of the DHOG at June 30, 2017 and 2016 approximates $616,108,000 and $568,940,000, respectively.

Non Obligated Group Bonds

(12) Series 2010 Revenue Bonds

Issued through the Business Finance Authority (BFA) of the State of NH. Interest is based on an annual percentage rate equal to the sum of (a) 69% of the 1-Month LIBOR rate plus (b) 1.8975/5. APD may prepay certain of these bonds according to the terms of the loan and trust agreement. The bonds are redeemable at any time by APD at par value plus any accrued interest. The bonds are also subject to optional tender for purchase (as a whole) in November 2020 at par plus accrued interest.

The Health System Indenture agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately $2,008,000 and $1,950,000 at June 30, 2017 and 2016, respectively, are classified as assets limited as to use in the accompanying consolidated balance sheets.

For the years ended June 30, 2017 and 2016 interest expense on the Health System's long term debt is reflected in the accompanying consolidated statements of operations and changes in net assets as operating expense of approximately $19,838,000 and $19,301,000 and is included in other nonoperating losses of $3,135,000 and $3,201,000, respectively.

Swap Agreements

The Health System is subject to market risks such as changes in interest rates that arise from normal business operation. The Health System regularly assesses these risks and has established business strategies to provide natural offsets, supplemented by the use of derivative financial instruments to protect against the adverse effect of these and other market risks. The Health System has established clear policies, procedures, and internal controls governing the use of derivatives and does not use them for trading, investment, or other speculative purposes.

A summary of the Health System's derivative financial instruments is as follows:

- A Fixed Payor Swap designed as a cash flow hedge of the NHHEFA Series 2011 Revenue Bonds. The Swap had an initial notional amount of $91,040,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 4.56% in exchange for the counterparty's payment of 67% of USD-LIBOR-BBA. The Swap's term matches that of the

associated bonds. The 2011 interest rate swap was not integrated with the 2011 bonds. When the 2011 bonds were refinanced, the swap became associated with the 2015 bond.

- An Interest Rate Swap to hedge the interest rate risk associated with the NHHEFA Series 2013 Revenue Bonds. The Swap had an initial notional amount of $15,000,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 3.94% in exchange for the counterparty's payment at 67% of USD-LIBOR-BBA. The Swap term matches that of the associated bonds.

- An Interest Rate Swap to hedge the interest rate risk associated with the VEHFBA Series 2010A Revenue Bonds. The Swap had an initial notional amount of $7,244,000. The Swap Agreement requires the Health System to pay the counterparty a fixed rate of 2.41% in exchange for the counterparty's payment of 69% of USD-LIBOR-BBA. The swap was terminated in September 2016, while the bonds will remain outstanding until 2030.

The obligation of the Health System to make payments on its bonds with respect to interest is in no way conditional upon the Health System's receipt of payments from the interest rate swap agreement counterparty.

At June 30, 2017 and 2016 the fair value of the Health System's interest rate swaps was a liability of $20,915,000 and $28,917,000, respectively. The change in fair value during the years ended June 30, 2017 and 2016 was a (decrease) and an increase of ($8,002,000) and $4,177,000, respectively. For the years ended June 30, 2017 and 2016 the Health System recognized a nonoperating gain of $124,000 and $1,696,000 resulting from hedge ineffectiveness and amortization of frozen swaps.

11. Employee Benefits

All eligible employees of the Health System are covered under various defined benefit and/or define contribution plans. In addition, certain affiliates provide postretirement medical and life benefit plans to certain of its active and former employees who meet eligibility requirements. The postretirement medical and life plans are not funded.

All of the defined benefit plans within the Health System have been frozen or had been approved by the applicable Board of Trustees to be frozen by December 31, 2017.

In December of 2016 the Board of Trustees approved to accelerate the freeze date on the remaining pension plan from December 31, 2017 to January 31, 2017. Effective with that date, the last of the participants earning benefits in any of the Health System's defined benefit plans will no longer earn benefits under the plans.

The Health System continued to execute the settlement of obligations due to retirees in the defined benefit plans through bulk lump sum offerings or purchases of annuity contracts. The annuity purchases follow guidelines established by the Department of Labor (DOL). The Health System anticipates continued consideration and/or implementation of additional settlements over the next several years.

Defined Benefit Plans

Net periodic pension expense included in employee benefits in the consolidated statements of operations and changes in net assets is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost for benefits earned during the year	$ 5,736	$ 11,084
Interest cost on projected benefit obligation	47,316	48,036
Expected return on plan assets	(64,169)	(63,479)
Net prior service cost	109	848
Net loss amortization	20,267	26,098
Special/contractural termination benefits	119	300
One-time benefit upon plan freeze acceleration	9,519	-
	$ 18,897	$ 22,887

The following assumptions were used to determine net periodic pension expense as of June 30, 2017 and 2016:

	2017	2016
Discount rate	4.20 % – 4.90 %	4.30 % – 4.90%
Rate of increase in compensation	Age Graded - N/A	Age Graded/0.00 % - 2.50 %
Expected long-term rate of return on plan assets	7.50 % – 7.75 %	7.50 % – 7.75 %

The following table sets forth the funded status and amounts recognized in the Health System's consolidated financial statements for the defined benefit pension plans at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,096,619	$ 988,143
Service cost	5,736	11,084
Interest cost	47,316	48,108
Benefits paid	(43,276)	(39,001)
Expenses paid	(183)	(180)
Actuarial (gain) loss	6,884	99,040
Settlements	-	(13,520)
Plan change	-	2,645
Special/contractual termination benefits	-	300
One-time benefit upon plan freeze acceleration	9,519	-
Benefit obligation at end of year	1,122,615	1,096,619
Change in plan assets		
Fair value of plan assets at beginning of year	872,320	845,052
Actual return on plan assets	44,763	81,210
Benefits paid	(43,276)	(42,494)
Expenses paid	(183)	(180)
Employer contributions	5,077	2,252
Settlements	-	(13,520)
Fair value of plan assets at end of year	878,701	872,320
Funded status of the plans	(243,914)	(224,299)
Less current portion of liability for pension	(46)	(46)
Long term portion of liability for pension	(243,868)	(224,253)
Liability for pension	$ (243,914)	$ (224,299)

For the years ended June 30, 2017 and 2016 the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in unrestricted net assets as of June 30, 2017 and 2016 are as follows:

(in thousands of dollars)	2017	2016
Net actuarial loss	$ 429,782	$ 423,640
Prior service cost	-	228
	$ 429,782	$ 423,868

The estimated amounts to be amortized from unrestricted net assets into net periodic pension expense in 2018 for net actuarial losses is $10,966,000.

The accumulated benefit obligation for the defined benefit pension plans was approximately $1,123,010,000 and $1,082,818,000 at June 30, 2016 and 2017, respectively.

The following table sets forth the assumptions used to determine the benefit obligation at June 30, 2017 and 2016:

	2017	2016
Discount rate	4.00 % – 4.30 %	4.20 % – 4.30 %
Rate of increase in compensation	N/A - 0.00 %	Age Graded/0.00 % - 2.50 %

The primary investment objective for the Plan's assets is to support the Pension liabilities of the Pension Plans for Employees of the Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing ("LDI") strategy to partially hedge the impact fluctuating interest rates have on the value of the Plan's liabilities. As of June 30, 2017 and 2016, it is expected that the LDI strategy will hedge approximately 55% and 65%, respectively, of the interest rate risk associated with pension liabilities. To achieve the appreciation and hedging objectives, the Plans utilize a diversified structure of asset classes designed to achieve stated performance objectives measured on a total return basis, which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

	Range of Target Allocations	Target Allocations
Cash and short-term investments	0–5%	3%
U.S. government securities	0–5	5
Domestic debt securities	20–58	38
Global debt securities	6–26	8
Domestic equities	5–35	19
International equities	5–15	11
Emerging market equities	3–13	5
Real estate investment trust funds	0–5	0
Private equity funds	0–5	0
Hedge funds	5–18	11

To the extent an asset class falls outside of its target range on a quarterly basis, the Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Health System, as Plan Sponsors, oversee the design, structure, and prudent professional management of the Health System's Plans' assets, in accordance with Board approved investment policies, roles, responsibilities and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,

- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans' assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient. The Health System's Plans own interests in these funds rather than in securities underlying each fund and, therefore, are generally required to consider such investments as Level 2 or 3, even though the underlying securities may not be difficult to value or may be readily marketable.

The following table sets forth the Health System's Plans' investments and deferred compensation plan assets that were accounted for at fair value as of June 30, 2017 and 2016:

	2017					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 23	$ 29,792	$ -	$ 29,815	Daily	1
U.S. government securities	7,875	-	-	7,875	Daily–Monthly	1–15
Domestic debt securities	140,498	243,427	-	383,925	Daily–Monthly	1–15
Global debt securities	426	90,389	-	90,815	Daily–Monthly	1–15
Domestic equities	154,597	16,938	-	171,535	Daily–Monthly	1–10
International equities	9,837	93,950	-	103,787	Daily–Monthly	1–11
Emerging market equities	2,141	45,351	-	47,492	Daily–Monthly	1–17
REIT funds	362	2,492	-	2,854	Daily–Monthly	1–17
Private equity funds	-	-	96	96	See Note 7	See Note 7
Hedge funds	-	-	40,507	40,507	Quarterly–Annual	60–96
Total investments	$ 315,759	$ 522,339	$ 40,603	$ 878,701		

	2016					
(in thousands of dollars)	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Investments						
Cash and short-term investments	$ 5,463	$ 10,879	$ -	$ 16,342	Daily	1
U.S. government securities	4,177	-	-	4,177	Daily–Monthly	1–15
Domestic debt securities	95,130	296,362	-	391,492	Daily–Monthly	1–15
Global debt securities	409	88,589	-	88,998	Daily–Monthly	1–15
Domestic equities	148,998	15,896	-	164,894	Daily–Monthly	1–10
International equities	12,849	77,299	-	90,148	Daily–Monthly	1–11
Emerging market equities	352	37,848	-	38,200	Daily–Monthly	1–17
REIT funds	356	1,465	-	1,821	Daily–Monthly	1–17
Private equity funds	-	-	255	255	See Note 7	See Note 7
Hedge funds	-	37,005	38,988	75,993	Quarterly–Annual	60–96
Total investments	$ 267,734	$ 565,343	$ 39,243	$ 872,320		

The following table presents additional information about the changes in Level 3 assets measured at fair value for the years ended June 30, 2017 and 2016:

	2017		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 38,988	$ 255	$ 39,243
Transfers	-	-	-
Purchases	-	-	-
Sales	(880)	(132)	(1,012)
Net realized (losses) gains	33	36	69
Net unrealized gains	2,366	(63)	2,303
Balances at end of year	$ 40,507	$ 96	$ 40,603

	2016		
(in thousands of dollars)	Hedge Funds	Private Equity Funds	Total
Balances at beginning of year	$ 42,076	$ 437	$ 42,513
Transfers	-	-	-
Purchases	-	-	-
Sales	(468)	(142)	(610)
Net realized (losses) gains	(55)	155	100
Net unrealized gains	(2,565)	(195)	(2,760)
Balances at end of year	$ 38,988	$ 255	$ 39,243

The total aggregate net unrealized gains (losses) included in the fair value of the Level 3 investments as of June 30, 2017 and 2016 were approximately $7,965,000 and $8,808,000, respectively. There were no transfers into and out of Level 3 measurements during the years ended June 30, 2017 and 2016.

There were no transfers into and out of Level 1 and 2 measurements due to changes in valuation methodologies during the years ended June 30, 2017 and 2016.

The weighted average asset allocation for the Health System's Plans at June 30, 2017 and 2016 by asset category is as follows:

	2017	2016
Cash and short-term investments	3 %	2 %
U.S. government securities	1	1
Domestic debt securities	44	45
Global debt securities	10	10
Domestic equities	20	19
International equities	12	10
Emerging market equities	5	4
Hedge funds	5	9
	100 %	100 %

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.50% per annum.

The Health System is expected to contribute approximately $5,047,000 to the Plans in 2018 however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)	
2018	$ 46,313
2019	48,689
2020	51,465
2021	54,375
2022	57,085
2023 – 2027	323,288

Defined Contribution Plans

The Health System has an employer-sponsored 401(a) plan for certain of its affiliates, under which the employer makes base, transition and discretionary match contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately $33,375,000 and $29,416,000 in 2017 and 2016, respectively, are included in employee benefits in the accompanying consolidated statements of operations and changes in net assets.

Various 403(b) and tax- sheltered annuity plans are available to employees of the Health System. Plan specifications vary by affiliate and plan. No employer contributions were made to any of these plans in 2017 and 2016 respectively.

Postretirement Medical and Life Benefits
The Health System has postretirement medical and life benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit (income) cost is comprised of the components listed below for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Service cost	$ 448	$ 544
Interest cost	2,041	2,295
Net prior service income	(5,974)	(5,974)
Net loss amortization	689	610
	$ (2,796)	$ (2,525)

The following table sets forth the accumulated postretirement medical and life benefit obligation and amounts recognized in the Health System's consolidated financial statements at June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Change in benefit obligation		
Benefit obligation at beginning of year	$ 51,370	$ 50,438
Service cost	448	544
Interest cost	2,041	2,295
Benefits paid	(3,211)	(3,277)
Actuarial (gain) loss	(8,337)	1,404
Employer contributions	(34)	(34)
Benefit obligation at end of year	42,277	51,370
Funded status of the plans	(42,277)	(51,370)
Current portion of liability for postretirement medical and life benefits	(3,174)	(3,130)
Long term portion of liability for postretirement medical and life benefits	(39,103)	(48,240)
Liability for postretirement medical and life benefits	$ (42,277)	$ (51,370)

For the years ended June 30, 2017 and 2016 the liability for postretirement medical and life benefits is included in the liability for pension and other postretirement plan benefits in the accompanying consolidated balance sheets.

Amounts not yet reflected in net periodic postretirement medical and life benefit income and included in the change in unrestricted net assets are as follows:

(in thousands of dollars)	2017	2016
Net prior service income	$ (21,504)	$ (27,478)
Net actuarial loss	2,054	11,080
	$ (19,450)	$ (16,398)

The estimated amounts that will be amortized from unrestricted net assets into net periodic postretirement income in 2018 for net prior service cost is $5,974,000.

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the year ending June 30, 2017 and thereafter:

(in thousands of dollars)	
2018	$ 3,174
2019	3,149
2020	3,142
2021	3,117
2022	3,113
2023-2027	14,623

In determining the accumulated postretirement medical and life benefit obligation, the Health System used a discount rate of 4.20% in 2017 and an assumed healthcare cost trend rate of 6.75%, trending down to 4.75% in 2021 and thereafter. Increasing the assumed healthcare cost trend rates by one percentage point in each year would increase the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $1,067,000 and $4,685,000 and the net periodic postretirement medical benefit cost for the years then ended by $110,000 and $284,000, respectively. Decreasing the assumed healthcare cost trend rates by one percentage point in each year would decrease the accumulated postretirement medical benefit obligation as of June 30, 2017 and 2016 by $974,000 and $3,884,000 and the net periodic postretirement medical benefit cost for the years then ended by $96,000 and $234,000, respectively.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College, Cheshire, NLH and MAHHC are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. RRG reinsures the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda and to a variety of commercial reinsurers. D-H and Dartmouth College have ownership interests in both HAC and RRG. The insurance program provides coverage to the covered institutions and named insureds on a modified claims-made basis which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

APD is covered for malpractice claims under a modified claims-made policy purchased through New England Alliance for Health (NEAH). While APD remains in the current insurance program under this policy, the coverage year is based on the date the claim is filed; subject to a medical incident arising after the retroactive date (includes prior acts). The policy provides modified claims-made coverage for former insured providers for claims that relate to the employee's period of

employment at APD and for services that were provided within the scope of the employee's duties. Therefore, when the employee leaves the corporation, tail coverage is not required.

Selected financial data of HAC and RRG, taken from the latest available audited and unaudited financial statements, respectively at June 30, 2017 and 2016 are summarized as follows:

	2017		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 76,185	$ 2,055	$ 78,240
Shareholders' equity	13,620	801	14,421
Net income	-	(5)	(5)

	2016		
(in thousands of dollars)	HAC *(audited)*	RRG *(unaudited)*	Total
Assets	$ 86,101	$ 2,237	$ 88,338
Shareholders' equity	13,620	806	14,426
Net income	-	50	50

13. Commitments and Contingencies

Litigation

The Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. While it is not feasible to predict or determine the outcome of any of these claims, it is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Health System.

Operating Leases and Other Commitments

The Health System leases certain facilities and equipment under operating leases with varying expiration dates. The Health System's rental expense totaled approximately $15,802,000 and $10,571,000 for the years ended June 30, 2017 and 2016, respectively. Minimum future lease payments under noncancelable operating leases at June 30, 2017 were as follows:

(in thousands of dollars)	
2018	$ 8,370
2019	6,226
2020	3,928
2021	3,105
2022	1,518
Thereafter	367
	$ 23,514

Lines of Credit
The Health System has entered into Loan Agreements with financial institutions establishing access to revolving loans ranging from $2,000,000 up to $85,000,000. Interest is variable and determined using LIBOR or the Wall Street Journal Prime Rate. The Loan Agreements are due to expire March 1, 2018. There was no outstanding balance under the lines of credit at June 30, 2017. The Health System had outstanding balances under the lines of credits in the amount of $36,550,000 at June 30, 2016. Interest expense was approximately $915,000 and $551,000, respectively, and is included in the consolidated statements of operations and changes in net assets.

14. Functional Expenses

Operating expenses of the Health System by function are as follows for the years ended June 30, 2017 and 2016:

(in thousands of dollars)	2017	2016
Program services	$ 1,662,413	$ 1,553,377
Management and general	311,820	271,409
Fundraising	2,328	5,901
	$ 1,976,561	$ 1,830,687

15. Subsequent Events

The Health System has assessed the impact of subsequent events through November 17, 2017, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than as noted below.

Consolidating Supplemental Information - Unaudited

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 27,328	$ 10,645	$ 7,797	$ 6,662	$ -	$ 52,432	$ 16,066	$ -	$ 68,498
Patient accounts receivable, net	193,733	17,723	8,539	4,659	-	224,654	12,606	-	237,260
Prepaid expenses and other current assets	93,816	6,945	3,650	1,351	(16,585)	89,177	8,034	(8,008)	89,203
Total current assets	314,877	35,313	19,986	12,672	(16,585)	366,263	36,706	(8,008)	394,961
Assets limited as to use	580,254	19,104	11,784	9,058	-	620,200	42,123	-	662,323
Other investments for restricted activities	86,398	4,764	2,833	6,079	-	100,074	24,455	-	124,529
Property, plant, and equipment, net	448,743	64,933	43,264	17,167	-	574,107	35,868	-	609,975
Other assets	89,650	2,543	5,965	4,095	(11,520)	90,733	27,674	(21,287)	97,120
Total assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ 16,034	$ 780	$ 737	$ 80	$ -	$ 17,631	$ 726	$ -	$ 18,357
Line of credit	-	-	-	550	(550)	-	-	-	-
Current portion of liability for pension and other postretirement plan benefits	3,220	-	-	-	-	3,220	-	-	3,220
Accounts payable and accrued expenses	72,362	19,715	5,356	2,854	(16,585)	83,702	13,466	(8,008)	89,160
Accrued compensation and related benefits	99,638	5,428	2,335	3,448	-	110,849	4,062	-	114,911
Estimated third-party settlements	11,322	-	7,265	1,915	-	20,502	6,931	-	27,433
Total current liabilities	202,576	25,923	15,693	8,847	(17,135)	235,904	25,185	(8,008)	253,081
Long-term debt, excluding current portion	545,100	26,185	26,402	10,976	(10,970)	597,693	18,710	-	616,403
Insurance deposits and related liabilities	50,960	-	-	-	-	50,960	-	-	50,960
Interest rate swaps	17,606	-	3,310	-	-	20,916	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	267,409	8,761	-	6,801	-	282,971	-	-	282,971
Other liabilities	77,622	2,636	1,426	-	-	81,684	8,864	-	90,548
Total liabilities	1,161,273	63,505	46,831	26,624	(28,105)	1,270,128	52,759	(8,008)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	258,887	58,250	32,504	15,247	-	364,888	81,344	(21,285)	424,947
Temporarily restricted	68,473	4,902	345	1,363	-	75,083	19,836	(2)	94,917
Permanently restricted	31,289	-	4,152	5,837	-	41,278	12,887	-	54,165
Total net assets	358,649	63,152	37,001	22,447	-	481,249	114,067	(21,287)	574,029
Total liabilities and net assets	$ 1,519,922	$ 126,657	$ 83,832	$ 49,071	$ (28,105)	$ 1,751,377	$ 166,826	$ (29,295)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Assets									
Current assets									
Cash and cash equivalents	$ 1,166	$ 27,760	$ 11,601	$ 8,260	$ 6,968	$ 8,129	$ 4,594	$ -	$ 68,498
Patient accounts receivable, net	-	193,733	17,723	8,539	4,661	8,878	3,706	-	237,260
Prepaid expenses and other current assets	3,884	94,305	5,899	3,671	1,340	4,179	518	(24,593)	89,203
Total current assets	5,050	315,798	35,223	20,490	12,969	21,186	8,818	(24,593)	394,961
Assets limited as to use	-	596,904	19,104	11,782	9,889	8,168	16,476	-	662,323
Other investments for restricted activities	6	94,210	21,204	2,833	6,079	197	-	-	124,529
Property, plant, and equipment, net	50	451,418	68,921	43,751	18,935	23,447	3,453	-	609,975
Other assets	23,866	89,819	8,586	5,378	1,812	283	183	(32,807)	97,120
Total assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	$ -	$ 16,034	$ 780	$ 737	$ 137	$ 603	$ 66	$ -	$ 18,357
Line of credit	-	-	-	-	550	-	-	(550)	-
Current portion of liability for pension and other postretirement plan benefits	-	3,220	-	-	-	-	-	-	3,220
Accounts payable and accrued expenses	5,996	72,606	19,718	5,365	2,946	5,048	1,874	(24,593)	89,160
Accrued compensation and related benefits	-	99,838	5,428	2,335	3,480	2,998	1,032	-	114,911
Estimated third-party settlements	6,165	11,322	-	7,265	1,915	766	-	-	27,433
Total current liabilities	12,161	203,020	25,926	15,702	9,028	9,415	2,972	(25,143)	253,081
Long-term debt, excluding current portion	-	545,100	26,185	26,402	11,356	15,633	2,697	(10,970)	616,403
Insurance deposits and related liabilities	-	50,960	-	-	-	-	-	-	50,960
Interest rate swaps	-	17,606	-	3,310	-	-	-	-	20,916
Liability for pension and other postretirement plan benefits, excluding current portion	-	267,409	8,761	-	6,801	-	-	-	282,971
Other liabilities	-	77,622	2,531	1,426	-	8,969	-	-	90,548
Total liabilities	12,161	1,161,717	63,403	46,840	27,185	34,017	5,669	(36,113)	1,314,879
Commitments and contingencies									
Net assets									
Unrestricted	16,367	278,695	80,758	32,897	15,319	18,965	23,231	(21,285)	424,947
Temporarily restricted	444	74,304	18,198	345	1,363	265	-	(2)	94,917
Permanently restricted	-	33,433	10,679	4,152	5,837	34	30	-	54,165
Total net assets	16,811	386,432	89,635	37,394	22,519	19,264	23,261	(21,287)	574,029
Total liabilities and net assets	$ 28,972	$ 1,548,149	$ 153,038	$ 84,234	$ 49,704	$ 53,281	$ 28,930	$ (57,400)	$ 1,888,908

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 1,535	$ 1,535	$ 39,057	$ -	$ 40,592
Patient accounts receivable, net	220,173	220,173	40,815	-	260,988
Prepaid expenses and other current assets	95,158	95,158	23,595	(22,933)	95,820
Total current assets	316,866	316,866	103,467	(22,933)	397,400
Assets limited as to use	551,724	551,724	40,744	-	592,468
Other investments for restricted activities	91,879	91,879	50,157	-	142,036
Property, plant, and equipment, net	454,894	454,894	157,670	-	612,564
Other assets	65,613	65,613	36,582	(14,929)	87,266
Total assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 15,638	$ 15,638	$ 2,669	$ -	$ 18,307
Line of Credit	35,000	35,000	1,550	-	36,550
Current portion of liability for pension and other postretirement plan benefits	3,176	3,176	-	-	3,176
Accounts payable and accrued expenses	87,373	87,373	43,104	(22,933)	107,544
Accrued compensation and related benefits	86,997	86,997	16,557	-	103,554
Estimated third-party settlements	21,434	21,434	(1,784)	-	19,650
Total current liabilities	249,618	249,618	62,096	(22,933)	288,781
Long-term debt, excluding current portion	550,090	550,090	75,251	-	625,341
Insurance deposits and related liabilities	56,887	56,887	-	-	56,887
Interest rate swaps	24,148	24,148	4,769	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	246,816	246,816	25,677	-	272,493
Other liabilities	54,218	54,218	15,593	-	69,811
Total liabilities	1,181,777	1,181,777	183,386	(22,933)	1,342,230
Commitments and contingencies					
Net assets					
Unrestricted	217,033	217,033	158,079	(14,929)	360,183
Temporarily restricted	51,173	51,173	24,558	-	75,731
Permanently restricted	30,993	30,993	22,597	-	53,590
Total net assets	299,199	299,199	205,234	(14,929)	489,504
Total liabilities and net assets	$ 1,480,976	$ 1,480,976	$ 388,620	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Balance Sheets
June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Assets								
Current assets								
Cash and cash equivalents	$ 607	$ 2,066	$ 16,640	$ 6,599	$ 5,388	$ 9,192	$ -	$ 40,592
Patient accounts receivable, net	-	220,173	17,836	7,377	5,347	10,255	-	260,988
Prepaid expenses and other current assets	7,463	95,738	5,458	3,209	2,022	4,863	(22,933)	95,820
Total current assets	8,070	317,977	39,934	17,285	12,757	24,310	(22,933)	397,400
Assets limited as to use	-	551,724	17,525	10,345	8,260	4,614	-	592,468
Other investments for restricted activities	217	114,719	16,486	2,643	5,742	29	-	142,036
Property, plant, and equipment, net	76	457,570	75,591	43,204	19,659	16,464	-	612,564
Other assets	17,950	65,782	9,496	5,028	3,929	10	(14,929)	87,266
Total assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734
Liabilities and Net Assets								
Current liabilities								
Current portion of long-term debt	$ -	$ 15,638	$ 755	$ 941	$ 466	$ 507	$ -	$ 18,307
Line of credit	-	35,000	-	-	1,550	-	-	36,550
Current portion of liability for pension and other postretirement plan benefits	-	3,176	-	-	-	-	-	3,176
Accounts payable and accrued expenses	9,857	88,557	15,666	6,791	4,589	4,817	(22,933)	107,544
Accrued compensation and related benefits	-	86,997	7,728	2,052	3,128	3,649	-	103,554
Estimated third-party settlements	-	10,534	1,569	5,206	917	1,424	-	19,650
Total current liabilities	9,857	239,902	25,918	14,990	10,650	10,397	(22,933)	288,781
Long-term debt, excluding current portion	-	550,090	26,985	20,767	11,145	16,354	-	625,341
Insurance deposits and related liabilities	-	56,887	-	-	-	-	-	56,887
Interest rate swaps	-	24,148	-	4,646	123	-	-	28,917
Liability for pension and other postretirement plan benefits, excluding current portion	-	246,816	18,662	-	7,015	-	-	272,493
Other liabilities	-	65,118	3,522	1,135	-	36	-	69,811
Total liabilities	9,857	1,182,961	75,087	41,538	28,933	26,787	(22,933)	1,342,230
Commitments and contingencies								
Net assets								
Unrestricted	16,456	234,609	58,978	32,706	14,099	18,264	(14,929)	360,183
Temporarily restricted	-	57,091	16,454	345	1,496	345	-	75,731
Permanently restricted	-	33,111	10,513	4,116	5,819	31	-	53,590
Total net assets	16,456	324,811	85,945	37,167	21,414	18,640	(14,929)	489,504
Total liabilities and net assets	$ 26,313	$ 1,507,772	$ 161,032	$ 78,705	$ 50,347	$ 45,427	$ (37,862)	$ 1,831,734

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(In thousands of dollars)	Dartmouth-Hitchcock	Cheshire Medical Center	New London Hospital Association	Mt. Ascutney Hospital and Health Center	Eliminations	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ 1,447,981	$ 214,265	$ 59,928	$ 48,072	$ (19)	$ 1,770,207	$ 88,985	$ -	$ 1,859,192
Provisions for bad debts	42,983	14,125	2,010	1,705	-	60,803	2,842	-	63,645
Net patient service revenue less provisions for bad debts	1,404,998	200,140	57,918	46,367	(19)	1,709,404	86,143	-	1,795,547
Contracted revenue	88,820	-	-	1,861	(41,771)	48,710	(4,995)	(44)	43,671
Other operating revenue	104,611	3,045	3,839	1,582	(1,148)	111,939	6,418	820	119,177
Net assets released from restrictions	9,550	639	116	61	-	10,366	756	-	11,122
Total unrestricted revenue and other support	1,607,779	203,824	61,873	49,881	(42,938)	1,880,419	88,322	776	1,969,517
Operating expenses									
Salaries	787,644	102,769	30,311	23,549	(21,784)	922,489	42,327	1,536	966,352
Employee benefits	202,178	26,632	7,071	5,523	(5,322)	236,082	8,392	381	244,855
Medical supplies and medications	257,100	30,692	6,143	2,905	(273)	296,567	9,513	-	306,080
Purchased services and other	208,671	28,068	12,795	13,224	(17,325)	245,433	45,331	(959)	289,805
Medicaid enhancement tax	50,118	7,800	2,923	1,620	-	62,461	2,608	-	65,069
Depreciation and amortization	66,067	10,238	3,881	2,138	-	82,324	2,238	-	84,562
Interest	17,352	1,127	819	249	(209)	19,338	500	-	19,838
Total operating expenses	1,589,130	207,326	63,943	49,208	(44,913)	1,864,694	110,909	958	1,976,561
Operating margin (loss)	18,649	(3,502)	(2,070)	673	1,975	15,725	(22,587)	(182)	(7,044)
Nonoperating gains (losses)									
Investment gains (losses)	42,484	1,378	1,570	984	(209)	46,207	4,849	-	51,056
Other, net	(3,003)	-	(879)	570	(1,767)	(5,079)	740	186	(4,153)
Contribution revenue from acquisition	-	-	-	-	-	-	20,215	-	20,215
Total nonoperating gains, net	39,481	1,378	691	1,554	(1,976)	41,128	25,804	186	67,118
Excess (deficiency) of revenue over expenses	58,130	(2,124)	(1,379)	2,227	(1)	56,853	3,217	4	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 6)	983	-	9	442	-	1,434	405	-	1,839
Change in funded status of pension and other postretirement benefits	(5,297)	4,031	-	(321)	-	(1,587)	-	-	(1,587)
Net assets transferred (from) to affiliates	(18,380)	900	143	986	-	(18,351)	18,351	-	-
Other changes in net assets	-	-	-	(2,286)	-	(2,286)	5,261	(6,359)	(3,364)
Change in fair value on interest rate swaps	6,418	-	1,337	47	-	7,802	-	-	7,802
Increase (decrease) in unrestricted net assets	$ 41,854	$ 2,807	$ 110	$ 1,095	$ (1)	$ 45,865	$ 25,254	$ (6,355)	$ 64,784

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2017

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	VNH and Subsidiaries	Eliminations	Health System Consolidated
Unrestricted revenue and other support									
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,447,961	$ 214,265	$ 59,928	$ 48,072	$ 65,835	$ 23,150	$ (19)	$ 1,859,192
Provisions for bad debts	-	42,963	14,125	2,010	1,705	2,275	567	-	63,645
Net patient service revenue less provisions for bad debts	-	1,404,998	200,140	57,918	46,367	63,560	22,583	(19)	1,795,547
Contracted revenue	(5,802)	89,427	-	-	1,861	-	-	(41,815)	43,671
Other operating revenue	673	106,775	3,264	3,837	3,038	1,537	381	(328)	119,177
Net assets released from restrictions	-	10,200	639	116	61	106	-	-	11,122
Total unrestricted revenue and other support	(5,129)	1,611,400	204,043	61,871	51,327	65,203	22,964	(42,162)	1,969,517
Operating expenses									
Salaries	1,009	787,644	102,769	30,311	24,273	29,397	11,197	(20,248)	966,352
Employee benefits	293	202,178	26,632	7,071	5,886	5,532	2,404	(4,941)	244,855
Medical supplies and medications	-	257,100	30,692	6,143	2,905	7,760	1,753	(273)	306,080
Purchased services and other	16,021	212,414	29,902	12,653	13,626	16,564	6,907	(18,282)	289,805
Medicaid enhancement tax	-	50,118	7,800	2,923	1,620	2,608	-	-	65,069
Depreciation and amortization	26	66,067	10,396	3,886	2,242	1,532	413	-	84,562
Interest	-	17,352	1,127	819	249	467	33	(209)	19,838
Total operating expenses	17,349	1,592,873	209,318	63,806	50,801	63,860	22,707	(43,953)	1,976,561
Operating (loss) margin	(22,478)	18,527	(5,275)	(1,935)	726	1,343	257	1,791	(7,044)
Nonoperating gains (losses)									
Investment (losses) gains	(321)	44,746	2,124	1,516	1,045	439	1,718	(209)	51,056
Other, net	-	(3,003)	-	(879)	581	(161)	888	(1,579)	(4,153)
Contribution revenue from acquisition	20,215	-	-	-	-	-	-	-	20,215
Total nonoperating gains, net	19,894	41,743	2,124	637	1,626	278	2,604	(1,788)	67,118
(Deficiency) excess of revenue over expenses	(2,584)	60,270	(3,151)	(1,298)	2,352	1,621	2,861	3	60,074
Unrestricted net assets									
Net assets released from restrictions (Note 8)	-	1,075	-	9	442	158	155	-	1,839
Change in funded status of pension and other postretirement benefits	-	(5,297)	4,031	-	(321)	-	-	-	(1,587)
Net assets transferred (from) to affiliates	(3,864)	(18,380)	900	143	986	-	20,215	-	-
Additional paid in capital	-	-	-	-	-	-	-	-	-
Other changes in net assets	6,359	-	-	-	(2,256)	(1,076)	-	(6,359)	(3,364)
Change in fair value on interest rate swaps	-	6,418	-	1,337	47	-	-	-	7,802
(Decrease) increase in unrestricted net assets	$ (89)	$ 44,086	$ 1,780	$ 191	$ 1,220	$ 701	$ 23,231	$ (6,356)	$ 64,764

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	Dartmouth-Hitchcock	DH Obligated Group Subtotal	All Other Non-Oblig Group Affiliates	Eliminations	Health System Consolidated
Unrestricted revenue and other support					
Net patient service revenue, net of contractual allowances and discounts	$ 1,387,677	$ 1,387,677	$ 302,159	$ (561)	$ 1,689,275
Provisions for bad debts	41,072	41,072	14,049	-	55,121
Net patient service revenue less provisions for bad debts	$ 1,346,605	$ 1,346,605	$ 288,110	$ (561)	$ 1,634,154
Contracted revenue	63,188	63,188	2,794	-	65,982
Other operating revenue	69,902	69,902	16,994	(4,544)	82,352
Net assets released from restrictions	7,928	7,928	1,291	-	9,219
Total unrestricted revenue and other support	1,487,623	1,487,623	309,189	(5,105)	1,791,707
Operating expenses					
Salaries	731,721	731,721	126,108	14,636	872,465
Employee benefits	197,050	197,050	34,824	2,533	234,407
Medical supplies and medications	236,918	236,918	72,896	-	309,814
Purchased services and other	208,763	208,763	68,582	(22,204)	255,141
Medicaid enhancement tax	46,078	46,078	12,487	-	58,565
Depreciation and amortization	62,348	62,348	18,646	-	80,994
Interest	16,821	16,821	2,480	-	19,301
Total operating expenses	1,499,699	1,499,699	336,023	(5,035)	1,830,687
Operating (loss) margin	(12,076)	(12,076)	(26,834)	(70)	(38,980)
Nonoperating (losses) gains					
Investment losses	(18,537)	(18,537)	(1,566)	-	(20,103)
Other, net	(3,789)	(3,789)	(56)	-	(3,845)
Contribution revenue from acquisition	-	-	18,014	69	18,083
Total nonoperating (losses) gains, net	(22,326)	(22,326)	16,392	69	(5,865)
Deficiency of revenue over expenses	(34,402)	(34,402)	(10,442)	(1)	(44,845)
Unrestricted net assets					
Net assets released from restrictions (Note 8)	1,994	1,994	1,254	-	3,248
Change in funded status of pension and other postretirement benefits	(52,262)	(52,262)	(14,279)	-	(66,541)
Net assets transferred (from) to affiliates	(22,558)	(22,558)	22,558	-	-
Additional paid in capital	-	-	12,793	(12,793)	-
Change in fair value on interest rate swaps	(4,907)	(4,907)	(966)	-	(5,873)
(Decrease) Increase in unrestricted net assets	$ (112,135)	$ (112,135)	$ 10,918	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Consolidating Statements of Operations and Changes in Unrestricted Net Assets
Year Ended June 30, 2016

(in thousands of dollars)	D-HH (Parent)	D-H and Subsidiaries	Cheshire and Subsidiaries	NLH and Subsidiaries	MAHHC and Subsidiaries	APD	Eliminations	Health System Consolidated
Unrestricted revenue and other support								
Net patient service revenue, net of contractual allowances and discounts	$ -	$ 1,387,677	$ 171,620	$ 61,740	$ 47,680	$ 21,119	$ (561)	$ 1,689,275
Provisions for bad debts	-	41,072	9,833	1,951	1,249	1,016	-	55,121
Net patient service revenue less provisions for bad debts	-	1,346,605	161,787	59,789	46,431	20,103	(561)	1,634,154
Contracted revenue	1,696	64,286	-	-	-	-	-	65,982
Other operating revenue	3,300	71,475	3,187	3,509	4,555	870	(4,544)	82,352
Net assets released from restrictions	-	8,713	322	65	119	-	-	9,219
Total unrestricted revenue and other support	4,996	1,491,079	165,296	63,363	51,105	20,973	(5,105)	1,791,707
Operating expenses								
Salaries	730	732,393	80,406	29,873	24,019	10,406	14,636	872,465
Employee benefits	219	197,165	19,276	6,824	6,260	2,130	2,533	234,407
Medical supplies and medications	-	236,916	59,121	6,597	4,246	2,932	-	309,814
Purchased services and other	22,508	211,611	14,020	12,876	11,955	4,377	(22,204)	255,141
Medicaid enhancement tax	-	46,078	7,132	2,606	1,707	840	-	58,565
Depreciation and amortization	15	62,348	11,069	4,574	2,345	543	-	80,994
Interest	-	16,821	1,046	823	467	144	-	19,301
Total operating expenses	23,470	1,503,334	172,070	64,475	50,999	21,374	(5,035)	1,830,687
Operating (loss) margin	(18,474)	(12,255)	(6,774)	(1,112)	106	(401)	(70)	(38,980)
Nonoperating gains (losses)								
Investment (losses) gains	(1,027)	(18,848)	(1,075)	827	(15)	235	-	(20,103)
Other, net	(529)	(3,647)	-	57	205	-	69	(3,845)
Contribution revenue from acquisition	18,083	-	-	-	-	-	-	18,083
Total nonoperating (losses) gains, net	18,527	(22,495)	(1,075)	884	190	235	69	(5,865)
(Deficiency) excess of revenue over expenses	(1,947)	(34,750)	(7,849)	(428)	296	(166)	(1)	(44,845)
Unrestricted net assets								
Net assets released from restrictions (Note 8)	-	2,185	107	23	586	347	-	3,248
Change in funded status of pension and other postretirement benefits	-	(52,262)	(12,982)	-	(1,297)	-	-	(66,541)
Net assets transferred to (from) affiliates	4,475	(22,556)	-	-	-	18,083	-	-
Additional paid in capital	12,793	-	-	-	-	-	(12,793)	-
Change in fair value on interest rate swaps	-	(4,907)	-	(1,115)	149	-	-	(5,873)
Increase (decrease) in unrestricted net assets	$ 15,321	$ (112,292)	$ (20,724)	$ (1,520)	$ (266)	$ 18,264	$ (12,794)	$ (114,011)

Dartmouth-Hitchcock Health and Subsidiaries
Notes to Supplemental Consolidating Information
June 30, 2017 and 2016

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating balance sheet and the consolidating statement of operations and changes in unrestricted net assets of D-HH and subsidiaries. All intercompany accounts and transactions between D-HH and subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.

Cheshire Medical Center - 2018 Board of Directors

Susan	Abert	Attorney - Norton & Abert PC	Keene NH	03431
Wendy	Fielding	VP Financial Planning Financial Services - Dartmouth Hitchcock	Lebanon NH	03756
Mark	Gavin	Chief Financial Officer - The Granite Group	Concord, NH	03301
H. Roger	Hansen ***(CHAIR)**	Retired physician - Cheshire Medical Center	Keene NH	03431
Nathalie	Houder ***(VICE CHAIR)**	Chief Financial Officer, Auto Europe	Portland, ME	04101
Michael	Kapiloff	Owner/Agent - Kapiloff Insurance Agency	Keene NH	03431
Martha	Landry ***(TREASURER)**	Retired, Assistant City Manager/Finance Director (Keene, NH)	Keene NH	03431
Geof	Molina	Retired, Vice President, Internal Audit, Main Street America Group	Keene NH	03431
Maria	Padin, MD	Chief Medical Officer - Dartmouth Hitchcock	Lebanon NH	03756
Steve	Paris, MD ***(AT LARGE)**	Medical Director - Dartmouth Hitchcock	Manchester NH	03104
Leslie	Pitts, MD	Medical Director - Dartmouth Hitchcock	Keene NH	03431
John	Round	Vice President, Administration - IPG Benefits	Keene NH	03431
Katherine	Snow ***(SECRETARY)**	Retired President, Monadnock United Way	Keene NH	03431
Gregg	Tewksbury	President, Savings Bank of Walpole	Keene NH	03431
Andy	Tremblay, MD	Chair, Dept. of Primary Care Services - Dartmouth Hitchcock	Keene NH	03431
Ex Officio				
Don	Caruso, MD	CEO/Pres/CMO - Dartmouth Hitchcock	Keene NH	03431
Jennifer	DiNubila, DO	Physician & Medical Staff Pres - Dartmouth Hitchcock	Keene NH	03431
Cherie	Holmes, MD	Medical Director - Dartmouth Hitchcock	Keene NH	03431

Shawn V LaFrance

Professional Experience

CHESHIRE MEDICAL CENTER/DARTMOUTH-HITCHCOCK, Keene, NH
Vice President of Population Health and Health System Integration, 2017-current
Advance the vision and mission of Cheshire Medical Center by directing and coordinating population health interventions and integrating clinical areas with community strategies to deliver value based care. Provide leadership for the Heathy Monadnock initiative and for public health activities in the region. Manage staff in the Center for Population Health. Member of the Senior Operations Team. Serve as principal liaison to Dartmouth Hitchcock Health for all matters related to population health.

FOUNDATION FOR HEALTHY COMMUNITIES, Concord, NH
Executive Director, 2004- February 2017
Vice President for Planning and Development, 1998-2004
Provide leadership in the design and management of statewide initiatives through innovative public and private sector partnerships to improve health and the delivery of health care services in New Hampshire. Manage professional staff and annual budget of $2+ million.

THE COMMONWEALTH FUND, New York, NY
Program Officer, 1994-1997
Managed grant-making portfolio of nationwide projects focused on child health, youth development and local public-private partnerships for leading foundation in health care philanthropy. Designed and monitored program outcomes for $3.5 million in annual grant expenditures. Accomplishments include: organized key start-up activities for a national initiative, in partnership with conversion and community foundations, to improve the delivery of pediatric care with a focus on child development and family support. Re-structured youth projects to strengthen career-to-school emphasis with mentoring, and initiated new local focus on promoting public-private partnerships. Advised applicants on project development, budgets, evaluation plans, and crafting communications strategies for projects. Initiated new procedures to effectively plan and prioritize communication of results from the national program.

NEW YORK CITY DEPARTMENT OF HEALTH, New York, NY
Special Assistant to Commissioner, (Margaret A. Hamburg, MD) 1992-1994
Assisted Commissioner of the largest local health department in the US on wide range of internal and external policy issues. Accomplishments include: managed recruitment and operations for 130+ provider sites to reach at-risk children in the largest immunization campaign in the city's history; convened multi-sector lead poisoning task force to revise prevention strategies; and initiated a review of managed care options and health education services for the Department of Health.

Education

Columbia University, New York, NY
Master of Public Health - 1985 M.S., Urban Planning- 1985
Master's Thesis: Hospitals and Urban Neighborhoods: Bases for Joint Planning and Community Development (Research Bibliography published by the Council for Planning Librarians, Chicago, IL, October 1985)

University of New Hampshire, Durham, NH
B.S., Health Administration and Planning - 1979

Awards

Innovators Award, 2017, Foundation for Healthy Communities
Byock & Corbeil Award, 2017, NH Hospice and Palliative Care Organization
Well Done Award, 2017, Capital Area Wellness Coalition
Public Citizen of the Year, 2011, NH Pediatric Society
Chapter Award, 2006, Northern New England Association of Healthcare Executives
Healthier Communities Fellowship, Health Forum, Class of 2003
Leadership New Hampshire, Class of2000
Hospice Hero Award, 1999, NH Hospice and Palliative Care Organization
Barney Rabinow Award, 1986, NYC Department of City Planning
Foster McGaw Scholar, 1985, Columbia University, School of Public Health

CHESHIRE MEDICAL CENTER

POSITION DESCRIPTION

POSITION TITLE: Certified Recovery Worker
DEPARTMENT: Center for Population Health
REPORTS TO: Project Director/Clinician

PURPOSE OF POSITION: work as part of a dedicated multi-disciplinary team providing emotional and informational support to patients and/or their families receiving HUB services. The Certified Recovery Worker will serve as a role model, mentor, advocate and motivator to recovering individuals in order to help prevent relapse and promote long-term recovery.

RESPONSIBILITIES:

1. Work in conjunction with other HUB staff to ensure individual needs are met
2. Serve as a recovery agent by providing and advocating for any effective recovery based services that will aid the client in daily living.
3. Assist individuals in developing a customized recovery plan; support them to articulate personal goals for recovery through the use of one-to-one and group sessions.
4. Help individuals navigate recovery support systems and access resources including health and wellness, housing, employment, and other professional and non-professional services
5. Assist clients in setting up and sustaining self-help (mutual support) groups, as well as means of locating and joining existing groups.
6. Utilize and teach problem solving techniques with individuals
7. Assist clients in building social skills in the community that will enhance job acquisition and tenure
8. Assist in obtaining services that suit that individual's recovery needs by providing names of staff, community resources and groups that may be useful.
9. Assist clients in developing empowerment skills and combating stigma through self-advocacy.
10. Educates and supports individuals in implementing a range of relapse prevention and harm-reduction strategies
11. Demonstrate competency and/or participate in training as required for HUB services.
12. Responsible for working collaboratively with other providers and to make dispositions that are appropriate, are clinically sound and ensure the safety and well-being of the patient.
13. Demonstrate patience, courtesy, and compassion when interacting with visitors, patients, employees, community partners and others.
14. All other duties as assigned.

REQUIREMENTS OF POSITION:

- Education/Certification: High School diploma or equivalent; successfully completed the certified recovery support worker academy training
- Experience: self-identify as a person in recovery, ability to demonstrate required work ethic and conduct regardless of length of time in recovery; ability to gather and assess patient information to evaluate needs; and ability to provide skilled/trauma-informed crisis intervention and de-escalation techniques

CHESHIRE MEDICAL CENTER

POSITION DESCRIPTION

POSITION TITLE: Clinician
DEPARTMENT: Center for Population Health
REPORTS TO: Project Director/Clinician

PURPOSE OF POSITION: Provides behavioral health triage assessments and evaluations, maintains an active patient registry, monitors psychiatric and substance mis-uses symptoms and other measures to track outcomes, actively facilitates referrals to address behavioral health and social determinants of health needs.

RESPONSIBILITIES:

1. Assessment and Evaluation:
    a. Screening to assess an individual's potential need for Hub services
    b. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician.
    c. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains and provide care based on ASAM criteria
    d. Development of a clinical service plan in collaboration with the client based on the clinical evaluation
2. Care Coordination:
    a. Facilitate referrals to substance use disorder treatment and recovery support and other health and social services as deemed necessary
    b. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.
    c. Ongoing follow-up and support of clients engaged in services
    d. Completion of the Government Performance and Results Act (GPRA) interview; collecting and documenting attempts to collect client-level data at multiple intervals including at intake, 3 months post intake, 6 months post intake and upon discharge.
3. Ensure data collection, clinical documentation, and outcome reporting is met in compliance with organization, insurance requirements, and funder.
4. Demonstrate competency and/or participate in training as required for HUB services.
5. Responsible for working collaboratively with other providers and to make dispositions that are appropriate, are clinically sound and ensure the safety and well-being of the patient.
6. Demonstrate patience, courtesy, and compassion when interacting with visitors, patients, employees, community partners and others.
7. All other duties as assigned.

REQUIREMENTS OF POSITION:

- Education: Master's Degree in Psychology, Social Work, Counseling, Counseling Psychology, or a related clinical field from an accredited college or university plus relevant experience in providing crisis assessments, brief treatment, and crisis counseling. Preference given to a degree that is certifiable or licensable in N.H. or post Master's employment in crisis intervention, brief treatment, and the provision of intake assessments.
- Experience: Minimum 2 years clinical experience in a relevant setting.

CHESHIRE MEDICAL CENTER

POSITION DESCRIPTION

POSITION TITLE: Program Assistant
DEPARTMENT: Center for Population Health
REPORTS TO: Project Director/Clinician

PURPOSE OF POSITION: Responsible for a full range of moderate to complex secretarial and administrative support services for the CMC Opioid HUB System of Care project.

RESPONSIBILITIES:

1. Maintain, gather and analyze data for various purposes: financial data (e.g. record keeping, grant reporting, etc.) dept. activities (e.g. meetings, program databases), programs & events, etc.
2. Compose and/or compile/prepare correspondence, memoranda, presentations, promotional materials, forms, newsletters, manuals, and reports using appropriate word processing, desktop publishing, presentation and spreadsheet tools.
3. Perform basic statistical calculations on data for reports and presentations.
4. Support purchasing requirements for department, researching items and obtaining price quotes, entering information into organizational systems as required.
5. Develop and maintain databases for program. Assist with communications activities by building relationships with local press; coordinating press releases and advertisements; arranging photo shoots and photo releases; and managing files of photographs.
6. Maintain mailing lists for programs and publications in the program.
7. Coordinate basic fiscal and budgetary tasks including recording and making deposits and check requests.
8. Perform clerical duties including maintaining files; coordinating large mailings of newsletters and other publications; and typing reports and meeting minutes
9. Demonstrate competency and/or participate in training as required for HUB services
10. Demonstrate patience, courtesy, and compassion when interacting with visitors, patients, employees, community partners and others.
11. All other duties as assigned

REQUIREMENTS OF POSITION:

- Education: High school diploma required. Associates degree (or equal work experience) preferred, plus 3 years of secretarial experience required.
- Experience: Intermediate to advanced office skills including creation and/or management of Excel and Access databases, general and grants accounting/bookkeeping activities, budget monitoring, reporting, research, and communications (writing, email, and phone). Experience with graphic design and strong writing skills preferred. Experience working on multiple priorities simultaneously.

CHESHIRE MEDICAL CENTER

POSITION DESCRIPTION

POSITION TITLE: Data Analyst
DEPARTMENT: Center for Population Health
REPORTS TO: Project Director/Clinician

PURPOSE OF POSITION: Supports the CMC HUB project, by analyzing data and developing reports on population health outcomes, and social determinants of health (SDOH) data necessary for the planning, implementation and evaluation of the project.

RESPONSIBILITIES:

1. Analyzes and mines health outcome data and other pertinent data sources for application to the CMC HUB and related activities. Uses the information to ensure coordination of services.
2. Uses statistical analysis techniques and business intelligence software to create reports of population, demographics, health outcomes, and SDOH variation.
3. Provides statistical analysis or interpretation of data and information for use in the CMC HUB budgets, program planning and program monitoring.
4. Reviews research and analysis reports and summaries prepared by others in order to ensure accurate and consistent statistical information.
5. Serves as a resource to other hospital epidemiologists, quality teams and health educators who may assist with planning and implementation of the different CMC projects.
6. Demonstrate competency and/or participate in training as required for HUB services
7. Demonstrate patience, courtesy, and compassion when interacting with visitors, patients, employees, community partners and others.
8. All other duties as assigned.

REQUIREMENTS OF POSITION:

- Education: Master's degree from a recognized college or university with major study in a field relevant to the program area in which the position is assigned. Each additional year of approved formal education may be substituted for one year of required work experience.
- Experience: Three years' experience in epidemiology, biostatistics, environmental health, risk assessment, public health or a related field with responsibility for program planning, monitoring and evaluation, to include data analysis. Each additional year of approved work experience may be substituted for one year of required formal education.

CHESHIRE MEDICAL CENTER

POSITION DESCRIPTION

POSITION TITLE: Project Director/Clinician
DEPARTMENT: Center for Population Health
REPORTS TO: Vice-President of Population Health and Health Systems Integration

PURPOSE OF POSITION: Provides programmatic oversight of the project to include staff supervision, program monitoring and reporting, and provision of clinical services. The position is 50% project management and 50% clinical services.

RESPONSIBILITIES:

1. Project Management:
    a. Establishing MOU and agreement with local and state wide entities as necessary to ensure quality care for patients using HUB; may include but not be limited to: 2-1-1 NH, Region 1 IDN, other treatment providers, and MCO.
    b. Hiring and supervision of all HUB staff
    c. Coordinate and organize logistical needs for staff training requirements
    d. Be primary point of contact with funder
    e. Complete all reporting requirements, monitor outcome data ensure performance measures are being tracked and reported accurately
2. Assessment and Evaluation:
    a. Screening to assess an individual's potential need for Hub services
    b. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician.
    c. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains and provide care based on ASAM criteria
    d. Development of a clinical service plan in collaboration with the client based on the clinical evaluation
3. Care Coordination:
    a. Facilitate referrals to substance use disorder treatment and recovery support and other health and social services as deemed necessary
    b. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.
    c. Ongoing follow-up and support of clients engaged in services
    d. Completion of the Government Performance and Results Act (GPRA) interview; collecting and documenting attempts to collect client-level data at multiple intervals including at intake, 3 months post intake, 6 months post intake and upon discharge.
4. Ensure data collection, clinical documentation, and outcome reporting is met in compliance with organization, insurance requirements, and funder.
5. Demonstrate competency and/or participate in training as required for HUB services.
6. Responsible for working collaboratively with other providers and to make dispositions that are appropriate, are clinically sound and ensure the safety and well-being of the patient.
7. Demonstrate patience, courtesy, and compassion when interacting with visitors, patients, employees, community partners and others.
8. All other duties as assigned.

REQUIREMENTS OF POSITION:

- Education: Master's Degree in Psychology, Social Work, Counseling, Counseling Psychology, or a related clinical field from an accredited college or university plus relevant experience in providing crisis assessments, brief treatment, and crisis counseling. Preference given to a degree that is certifiable or licensable in N.H. or post Master's employment in crisis intervention, brief treatment, and the provision of intake assessments.
- Experience: Minimum 2 years clinical experience in a relevant setting.

Cheshire Medical Center

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Shawn LaFrance	Vice-President of Population Health and Health System Integration	$188,698	0	0
Vacant	Project Director/Clinician	$100,000	100%	$100,00
Vacant	Clinician (full time)	$85,000	100%	$85,000
Vacant	Clinician (full time)	$85,000	100%	$85,000
Vacant	Clinician (part time)	$42,500	100%	$42,500
Vacant	Certified Recovery Support Worker	$41,600	100%	$41,600
Vacant	Certified Recovery Support Worker	$41,600	100%	$41,600
Vacant	Data Analyst	$30,000	100%	$30,000
Vacant	Administrative Assistant	$35,500	100%	$35,500

FORM NUMBER P-37 (version 5/8/15)

Subject: Access and Delivery Hub for Opioid Use Disorder Services (SS-2019-BDAS-05-ACCES-08)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name WENTWORTH-DOUGLASS HOSPITAL		1.4 Contractor Address 789 Central Avenue, Dover, NH, 03820	
1.5 Contractor Phone Number (603) 742-5252	1.6 Account Number 05-95-92-7040-500731	1.7 Completion Date September 29, 2020	1.8 Price Limitation $1,890,416
1.9 Contracting Officer for State Agency Nathan D. White Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory GREGORY J. WALKER PRESIDENT & CEO	

1.13 Acknowledgement: State of New Hampshire County of Strafford

On October 18, 2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.

1.13.1 Signature of Notary Public or Justice of the Peace JACQUELINE L. ESTABROOK, Notary Public
My Commission Expires September 13, 2022

[Seal]

1.13.2 Name and Title of Notary or Justice of the Peace
Jacqueline L. Estabrook

1.14 State Agency Signature Date: 10/19/18	1.15 Name and Title of State Agency Signatory Katja S Fox, Director

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*

By: On: Megan A. Yeder-Attorney 10/19/18

1.18 Approval by the Governor and Executive Council *(if applicable)*

By: On:

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials
Date 10/18/12

Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.
8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):
8.1.1 failure to perform the Services satisfactorily or on schedule;
8.1.2 failure to submit any report required hereunder; and/or
8.1.3 failure to perform any other covenant, term or condition of this Agreement.
8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.
9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000per occurrence and $2,000,000 aggregate ; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

Contractor Initials [signature]
Date 10/18/12

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation").*

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials
Date 10/17/17

Scope of Services

1. Provisions Applicable to All Services

1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.

1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

1.3. For the purposes of this contract, the Contractor shall be identified as a subrecipient, in accordance with 2 CFR 200.0. *et seq.*

1.4. Notwithstanding any other provision of the Contract to the contrary, no services shall continue after September 29, 2020, and the Department shall not be liable for any payments for services provided after September 29, 2020, unless and until an appropriation for these services has been received from the state legislature and funds encumbered for the SFY 2020-2021 and SFY 2022-2023 biennia.

2. Scope of Work

2.1. The Contractor will develop, implement and operationalize a Regional Hub for substance use disorder treatment and recovery support service access (Hub).

2.2. The Contractor shall provide residents in the Dover Region with access to referrals to substance use disorder treatment and recovery support services and other health and social services.

2.3. The Contractor shall participate in technical assistance, guidance, and oversight activities directed by the Department for implementation of Hub services.

2.4. The Contractor shall have the Hub operational by January 1, 2019 unless an alternative timeline has been approved prior to that date by the Department.

2.5. The Contractor shall collaborate with the Department to develop a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers.

2.5.1. The database shall include the real-time availability of services and providers to ensure rapid placement into appropriate levels of care for Hub clients which the Hub will update daily, at a minimum.

2.5.2. The data and the centralized database shall be the property of the Department.

2.6. The Contractor shall operationalize the use of the centralized database at a date agreed upon between the Department and the Contractor based on securing the resource needs identified in 2.5.

2.7. The Contractor shall collaborate with the Department to assess the Contractor's level of readiness, capacity and additional resource needs required to expand Hub services in-house to include, but not be limited to:

2.7.1.1. Medication assisted treatment induction at emergency rooms and facilitated coordination with ongoing hub care coordination inclusive of the core principles of the Medication First Model.

2.7.1.2. Outpatient and inpatient substance use disorder services, in accordance with ASAM.

2.7.1.3. Coordinating overnight placement for Hub clients engaged in Hub services between the hours of 5 pm to 8 am in need of a safe location while awaiting treatment placement the following business day.

2.7.1.4. Expanding populations for Hub core services.

2.8. The Contractor shall collaborate with the Department to identify gaps in financial and staffing resources throughout the contract period.

2.9. The Contractor, either alone or in collaboration with other Hubs, shall ensure formalized coordination with 2-1-1 NH as the public facing telephone service for all Hub service access. This coordination shall include:

2.9.1. Establishing an MOU with 2-1-1 NH which defines the workflows to coordinate 2-1-1 NH calls and Hub activities including the following workflow:

2.9.1.1. Individuals seeking substance use disorder treatment services will call 2-1-1 NH;

2.9.1.2. If an individual is seeking information only, 2-1-1 NH staff will provide that information;

2.9.1.3. If an individual is in an SUD related crisis and wants to speak with a licensed counselor and/or is seeking assistance with accessing treatment services, 2-1-1 NH staff will transfer the caller to the Hub or on-call Hub clinician.

2.9.2. The MOU with 2-1-1 NH shall include a process for bi-directional information sharing of updated referral resource databases to ensure that each entity has recently updated referral information.

2.10. The Contractor shall establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region.

2.11. The Contractor with the assistance of the Department shall attempt to establish formalized agreements with:

2.11.1. Medicaid Managed Care Organizations to coordinate case management efforts on behalf of the client.

2.11.2. Private insurance carriers to coordinate case management efforts on behalf of the client.

2.12. The Contractor shall be required to create policies for obtaining patient consent to disclose protected health information as required by state administrative rules and federal and state laws for agreements reached with Managed Care Organizations and private insurance carriers as outlined in Subsection 2.11.

2.13. The Contractor shall develop a Department approved conflict of interest policy related to Hub services and self-referrals to Hub organization substance use disorder treatment and recovery support service programs funded outside of this contract that maintains the integrity of the referral process and client choice in determining placement in care.

3. Scope of Work for Hub Activities

3.1. The Contractor shall ensure that unless an alternative schedule for the Hub to meet the needs of the community is proposed and approved by the Department, the Hub provides, in one location, during normal business hours (8am-5pm) Monday through Friday, at a minimum:

3.1.1. A physical location for clients to receive face-to-face services.

3.1.2. Telephonic services for calls referred to the Hub by 2-1-1 NH.

3.1.3. Screening to assess an individual's potential need for Hub services.

3.1.4. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis intervention counseling services by a licensed clinician. If the client is calling rather than physically presenting at the Hub, this includes, but is not limited to:

3.1.4.1. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.1.4.2. If the client is unable or unwilling to call 911, the Hub shall contact emergency services.

3.1.5. Clinical evaluation including:

3.1.5.1. Evaluation of all American Society of Addiction Medicine Criteria (ASAM, October 2013), domains.

3.1.5.2. A level of care recommendation based on ASAM Criteria (October 2013).

3.1.5.3. Identification of client strengths and resources that can be used to support treatment and recovery.

3.1.6. Development of a clinical service plan in collaboration with the client based on the clinical evaluation referenced in Paragraph 3.1.5. The service plan shall include, but not be limited to:

3.1.6.1. Determination of an initial ASAM level of care.

3.1.6.2. Identification of any needs the client may have relative to supportive services including, but not limited to:

3.1.6.2.1. Physical health needs.

3.1.6.2.2. Mental health needs.

3.1.6.2.3. Need for peer recovery support services.

3.1.6.2.4. Social services needs.

3.1.6.2.5. Needs regarding criminal justice/Division for Children, Youth, and Families (DCYF) matters.

3.1.6.3. Plan for addressing all areas of need identified in Subparagraph 3.1.6.2 by determining goals that are patient-centered, specific, measurable, attainable, realistic, and timely (SMART goals).

3.1.6.4. When the level of care identified in 3.1.6.1 is not available to the client within 48 hours of service plan development, the service plan shall include plans for referrals to external providers to offer interim services, which are defined as:

3.1.6.4.1. At least one sixty (60) minute individual or group outpatient session per week and/or;

3.1.6.4.2. Recovery support services, as needed by the client; and/or

3.1.6.4.3. Daily calls to the client to assess and respond to any emergent needs.

3.1.7. A staff person, which can be the licensed clinician, CRSW outlined in the Staffing section, or other non-clinical support staff, capable of aiding specialty populations in accessing services that may have additional entry points to services or specific eligibility criteria. Specialty populations include, but are not limited to:

3.1.7.1. Veterans and/or service members.

3.1.7.2. Pregnant women.

3.1.7.3. DCYF involved families.

3.1.7.4. Individuals at-risk of or with HIV/AIDS.

3.1.7.5. Adolescents.

3.1.8. Facilitated referrals to substance use disorder treatment and recovery support and other health and social services which shall include, but not be limited to:

3.1.8.1. Developing and implementing adequate consent policies and procedures for client-level data sharing and shared care planning with external providers, in accordance with HIPAA and 42 CFR Part 2.

3.1.8.2. Determining referrals based on the service plan developed in Paragraph 3.1.6.

3.1.8.3. Assisting clients with obtaining services with the provider agency, as appropriate.

3.1.8.4. Contacting the provider agency on behalf of the client, as appropriate.

3.1.8.5. Assisting clients with meeting the financial requirements for accessing services including, but not limited to:

3.1.8.5.1. Identifying sources of financial assistance for accessing services and supports, and;

3.1.8.5.2. Providing assistance in accessing such financial assistance including, but not limited to:

3.1.8.5.2.1. Assisting the client with making contact with the assistance agency, as appropriate.

3.1.8.5.2.2. Contacting the assistance agency on behalf of the client, as appropriate.

3.1.8.5.2.3. Supporting the client in meeting the admission, entrance, and intake requirements of the assistance agency.

3.1.8.5.3. When no other payer is available, assisting clients with accessing services by maintaining a flexible needs fund specific to the Hub region that supports clients who meet the eligibility criteria for assistance under the NH DHHS SOR Flexible Needs Fund Policy with their financial needs including, but not limited to:

3.1.8.5.3.1. Co-pay and deductible assistance for medications and treatment services.

3.1.8.5.3.2. Treatment cost assistance to be provided when the needed service is not covered by the individual's public or private insurance.

3.1.8.5.3.3. Recovery housing vouchers.

3.1.8.5.3.4. Childcare.

3.1.8.5.3.5. Transportation.

3.1.8.5.3.6. Recreational and alternative therapies supported by evidence (for example, acupuncture).

3.1.8.5.4. Collaborating with the Department on defining the amount available and determining the process for flexible needs fund eligibility determination and notifying service providers of funds available in their region for clients to access.

3.1.9. Continuous case management services which include, but are not limited to:

3.1.9.1. Ongoing assessment in collaboration or consultation with the client's external service provider(s) of necessary support services to address needs identified in the evaluation or by the client's service provider that may create barriers to the client entering and/or maintaining treatment and/or recovery.

3.1.9.2. Supporting clients in meeting the admission, entrance, and intake requirements of the provider agency.

3.1.9.3. Ongoing follow-up and support of clients engaged in services in collaboration or consultation with the client's external service provider(s) until such time that the discharge Government Performance and Results Act (GPRA) interview in 3.1.9.6.4 is completed including, but not limited to:

3.1.9.3.1. Attempting to contact each client at a minimum, once per week until such time that the discharge GPRA interview in Section 3.1.9.4 has been completed, according to the following guidelines:

3.1.9.3.1.1. Attempt the first contact by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available.

3.1.9.3.1.2. If the attempt in 3.1.9.3.1.1 is not successful, attempt a second contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available no sooner than two (2) days and no later than three (3) days after the first attempt.

3.1.9.3.1.3. If the attempt in 3.1.9.3.1.2 is not successful, attempt a third contact, as necessary, by telephone, in person or by an alternative method approved by the Department at such a time when the client would normally be available, no sooner than two (2) days and no later than three (3) days after the second attempt.

3.1.9.4. When the follow-up in 3.1.9.3 results in a determination that the individual is at risk of self-harm, the minimum attempts for contact shall be no less than three (3) times each week and aligned with clinical best practices for prevention of suicide.

3.1.9.5. When possible, client contact and outreach shall be conducted in coordination and consultation with the client's external service provider to ensure continuous communication and collaboration between the Hub and service provider.

3.1.9.5.1. Each successful contact shall include, but not be limited to:

3.1.9.5.1.1. Inquiry on the status of each client's recovery and experience with their external service provider.

3.1.9.5.1.2. Identification of client needs.

3.1.9.5.1.3. Assisting the client with addressing needs, as identified in Subparagraph 3.1.6.2.

3.1.9.5.1.4. Providing early intervention to clients who have relapsed or whose recovery is at risk.

3.1.9.6. Collecting and documenting attempts to collect client-level data at multiple intervals including, but not limited to ensuring the GPRA Interview tool is completed and entered into the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Performance Accountability and Reporting System (SPARS), at a minimum:

3.1.9.6.1. At intake or within three (3) days following initial client contact.

3.1.9.6.2. Three (3) months post intake into Hub services.

3.1.9.6.3. Six (6) months post intake into Hub services.

3.1.9.6.4. Upon discharge from the initially referred service.

3.1.9.6.4.1. If the client is discharged from services before the time intervals in 3.1.9.6.2 or 3.1.9.6.3 the Hub must make every reasonable effort to conduct a follow-up GPRA for that client.

3.1.9.6.4.2. If a client is re-admitted into services after discharge or being lost to care, the Hub is not required to re-administer the intake GPRA but must complete a follow-up GPRA for the time interval in 3.1.9.6.2 and 3.1.9.6.3 closest to the intake GPRA

3.1.9.7. Documenting any loss of contact in the SPARS system using the appropriate process and protocols as defined by SAMHSA through technical assistance provided under the State Opioid Response grant.

3.1.9.8. Ensuring that contingency management strategies are utilized to increase client engagement in follow-up GPRA interviews which may include, but are not limited to gift cards provided to clients for follow-up participation at each follow-up interview which shall not exceed thirty dollars ($30) in value.

3.1.9.8.1. Payments to incentivize participation in treatment are not allowable.

3.1.10. Naloxone purchase, distribution, information, and training to individuals and organizations who meet the eligibility criteria for receiving kits under the NH DHHS Naloxone Distribution Policy regarding the use of naloxone.

3.2. The Contractor shall ensure that, at a minimum, after-hours (5pm to 8am), on-call, telephonic services are provided by a licensed clinician affiliated with one or more of the Hubs, seven (7) days a week and that the clinician has the ability to coordinate continued client care with the Hub in the individual's region.

3.2.1. On-call staffing by licensed clinicians shall be sufficient to meet the call volumes during the hours outlined in Subsection 3.2 to ensure that clients are not on hold or receiving busy signals when transferred from 2-1-1 NH.

3.2.2. The Contractor shall give preference to licensed clinicians with the ability to assess for co-occurring mental health needs.

3.2.3. Telephonic services to be provided include, at a minimum:

3.2.3.1. Crisis intervention and stabilization which ensures that individuals in an acute OUD related crisis that require immediate, non-emergency intervention are provided with crisis counseling services by a licensed clinician.

3.2.3.2. Directing callers to 911 if a client is in imminent danger or there is an emergency.

3.2.3.2.1. If the client is unable or unwilling to call 911, contacting emergency services on behalf of the client.

3.2.3.3. Screening.

3.2.3.4. Coordinating with shelters or emergency services, as needed.

3.2.3.5. Providing clinical evaluation telephonically, if appropriate, based on the callers mental state and health status.

3.2.3.6. Scheduling the client for face-to-face intake at the client's Hub for an evaluation and referral services, if determined necessary.

3.2.3.7. Ensuring a Continuity of Operations Plan for landline outage.

3.3. The Contractor shall obtain treatment consent forms from all clients served, either in-person or through electronic means, to ensure compliance with all applicable state and federal confidentiality laws.

3.4. The Contractor shall provide services for both day and overnight shifts in accordance with:

3.4.1. The twelve (12) Core Functions of the Alcohol and Other Drug Counselor.

3.4.2. The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice, available at http://store.samhsa.gov/product/TAP-21-Addiction-Counseling-Competencies/SMA15-4171.

3.4.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

3.4.4. TIP 27: Comprehensive Case Management for Substance Abuse Treatment, available at https://store.samhsa.gov/product/TIP-27-Comprehensive-Case-Management-for-Substance-Abuse-Treatment/SMA15-4215.

3.5. The Contractor shall utilize recent and inform any future developments of a comprehensive needs assessment of their region. The needs assessment shall be coordinated with existing regional partners including, but not limited to:

3.5.1. Regional Public Health Networks

3.5.2. Integrated Delivery Networks

3.5.3. Continuum of Care Facilitators

3.6. The Contractor shall inform the inclusion of regional goals into the future development of needs assessments in Subsection 3.5 that the Contractor and its partners in the region have over the contract period including, but not limited to reductions in:

3.6.1.1. Naloxone use.

3.6.1.2. Emergency Room use.

3.6.1.3. Overdose related fatalities.

3.7. The Contractor shall have policies and procedures that allow them to accept referrals and evaluations from SUD treatment and other service providers.

4. Subcontracting for Hubs

4.1. The Hub shall submit any and all subcontracts they propose to enter into for services provided through this contract to the Department for approval prior to execution.

4.2. The Hub may subcontract with prior approval of the Department for support and assistance in providing core Hub services; except that such core services shall not be subcontracted providers whose principal operations are to serve individuals with a specific diagnosis of substance use disorders. .

4.2.1. Core Hub services are defined, for purposes of this contract, as screening, assessment, evaluation, referral, continuous case management, GPRA data completion, and naloxone distribution.

4.2.2. The Hub shall at all times be responsible for continuous oversight of, and compliance with, all Core Hub services and shall be the single point of contact with the Department for those Core services.

4.2.3. Any subcontract for support and assistance in providing Core Hub services shall ensure that the patient experience is consistent across the continuum of Core Hub services and that the subcontracted entities and personnel are at all times acting, in name and in fact, as agents of the Hub. The Hub shall consolidate Core Hub services, to the greatest extent practicable, in a single location.

5. Staffing

5.1. The Contractor shall meet, at a minimum, the following staffing requirements:

5.1.1. Between 8am-5pm, 5 days/week, Monday through Friday:

5.1.1.1. At least one (1) clinician with the ability to provide clinical evaluations for ASAM level of care placement, in-person or telephonically;

5.1.1.2. At least one (1) Recovery support worker (CRSW);

5.1.1.2.1. The CRSW shall be able to fulfill recovery support and care coordination functions

5.1.1.3. A staff person, which can be a licensed clinician, CRSW, or other non-clinical support staff capable of aiding specialty populations as outlined in Paragraph 3.1.7.

5.1.2. Sufficient staffing levels that are appropriate for the services provided and the number of clients served based on available staffing and the budget established for the Hub.

5.1.3. All unlicensed staff providing treatment, education and/or recovery support services shall be under the direct supervision of a licensed supervisor.

5.1.4. No licensed supervisor shall supervise more than twelve (12) unlicensed staff unless the Department has approved an alternative supervision plan.

5.1.5. Peer clinical supervision is provided for all clinicians including, but not limited to:

5.1.5.1. Weekly discussion of cases with suggestions for resources or alternative approaches.

5.1.5.2. Group supervision to help optimize the learning experience, when enough candidates are under supervision.

5.2. The Contractor must ensure sufficient licensed clinician telephone coverage, at a minimum, between the hours of 5 pm and 8 am, 7 days/week, who have the ability to provide services as outlined in Subsection 3.2. This may be provided either by the Contractor alone or in collaboration with other Hubs.

5.3. The Contractor must meet the training requirements for staff which include, but are not limited to:

5.3.1.1. For all clinical staff:

5.3.1.1.1. Suicide prevention and early warning signs.

5.3.1.1.2. The 12 Core Functions of the Alcohol and Other Drug Counselor.

5.3.1.1.3. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics.

5.3.1.1.4. An approved course on the twelve (12) core functions and The Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within twelve (12) months of hire.

5.3.1.1.5. A Department approved ethics course within twelve (12) months of hire.

5.3.1.2. For recovery support staff and other non-clinical staff working directly with clients:

5.3.1.2.1. Knowledge, skills, values, and ethics with specific application to the practice issues faced by the supervisee.

5.3.1.2.2. The standards of practice and ethical conduct, with particular emphasis given to the individual's role and appropriate responsibilities, professional boundaries, and power dynamics, and confidentiality safeguards in accordance with HIPAA and 42 CFR Part 2, and state rules and laws.

5.3.1.2.3. The four (4) recovery domains as described by the International Credentialing and Reciprocity Consortium, available at http://www.internationalcredentialing.org/Resources/Candidate%20Guides/PR%20candidate%20guide%201-14.pdf.

5.3.1.2.4. An approved ethics course within twelve (12) months of hire.

5.3.1.3. Required trainings in Subsection 5.3 may be satisfied through existing licensure requirements and/or through Department approved alternative training curriculums and/or certifications.

5.3.1.4. Ensuring all recovery support staff and clinical staff receive continuous education regarding substance use disorders, at a minimum annually.

5.3.1.5. Providing in-service training to all staff involved in client care within fifteen (15) days of the contract effective date or the staff person's start date on the following:

5.3.1.5.1. The contract requirements.

5.3.1.5.2. All other relevant policies and procedures provided by the Department.

5.3.1.6. The Contractor shall provide its staff, subcontractors, or end users as defined in Exhibit K, with periodic training in practices and procedures to ensure compliance with information security, privacy or confidentiality in accordance with state administrative rules and state and federal laws.

5.4. The Contractor shall notify the Department in writing:

5.4.1. When a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program, within one (1) month of hire.

5.4.2. When there is not sufficient staffing to perform all required services for more than one (1) month, within fourteen (14) calendar days.

5.5. The Contractor shall have policies and procedures related to student interns to address minimum coursework, experience, and core competencies for those interns having direct contact with individuals served by this contract.

5.5.1. The Contractor shall ensure that student interns complete an approved ethics course and an approved course on the twelve (12) core functions as described in Addiction Counseling Competencies: The Knowledge, Skills, and Attitudes of Professional Practice within six (6) months of beginning their internship.

6. Reporting

6.1. The Contractor shall submit quarterly de-identified, aggregate client reports to the Department on each client served, as required by SAMHSA. The data shall include:

6.1.1. Diagnoses.

6.1.2. Demographic characteristics.

6.1.3. Substance use.

6.1.4. Services received and referrals made, by provider organization name.

6.1.5. Types of MAT received.

6.1.6. Length of stay in treatment.

6.1.7. Employment status.

6.1.8. Criminal justice involvement.

6.1.9. Housing.

6.1.10. Flexible needs funds used and for what purpose.

6.1.11. Numbers of naloxone kits distributed and by category, including but not limited to client, organization, family member, etc.

6.2. The Contractor shall report quarterly on federally required data points specific to this funding opportunity as identified by SAMHSA over the grant period.

7. Performance Measures

7.1. The Contractor shall attempt to complete a GPRA interview for 100% of Hub clients at intake or within three (3) days following initial client contact, at (3) months post intake, at six (6) months post intake, and upon discharge from Hub referred services.

7.2. In accordance with SAMHSA State Opioid Response grant requirements, the Contractor shall ensure that the GPRA interview follow-up rate at (3) months and six (6) months post intake for Hub clients is no less than 80%.

8. Deliverables

8.1. The Contractor shall have the Hub in the Dover Region operational by January 1, 2019 unless an alternative timeline has been submitted to and approved by the Department.

8.2. The Contractor shall collaborate with the Department to develop a report by July 1, 2019 to determine the Contractor's level of readiness, capacity and resource needs required to expand services in-house as outlined in Subsection 2.7.

8.3. The Contractor shall collaborate with the Department on development of a plan no later than July 1, 2019 for the resources, timeline and infrastructure requirements to develop and maintain a centralized referral database of substance use disorder and mental health treatment providers as outlined in Subsection 2.5.

9. State Opioid Response (SOR) Grant Standards

9.1. The Contractor and/or referred providers shall ensure that only FDA-approved MAT for Opioid Use Disorder (OUD) is utilized. FDA-approved MAT for OUD includes:

9.1.1. Methadone.

9.1.2. Buprenorphine products, including:

9.1.2.1. Single-entity buprenorphine products.

9.1.2.2. Buprenorphine/naloxone tablets,

9.1.2.3. Buprenorphine/naloxone films.

9.1.2.4. Buprenorphine/naloxone buccal preparations.

9.1.2.5. Long-acting injectable buprenorphine products.

9.1.2.6. Buprenorphine implants.

9.1.2.7. Injectable extended-release naltrexone.

9.2. The Contractor and/or referred providers shall only provide medical withdrawal management services to any individual supported by SOR Grant Funds if the withdrawal management service is accompanied by the use of injectable extended-release naltrexone, as clinically appropriate.

9.3. The Contractor and/or referred providers shall ensure that clients receiving financial aid for recovery housing utilizing SOR funds shall only be in a recovery housing facility that is aligned with the National Alliance for Recovery Residences standards

and registered with the State of New Hampshire, Bureau of Drug and Alcohol Services in accordance with current NH Administrative Rules.

9.4. The Contractor and/or referred providers shall assist clients with enrolling in public or private health insurance, if the client is determined eligible for such coverage.

9.5. The Contractor and/or referred providers shall accept clients on MAT and facilitate access to MAT on-site or through referral for all clients supported with SOR Grant funds, as clinically appropriate.

9.6. The Contractor and/or referred providers shall coordinate with the NH Ryan White HIV/AIDs program for clients identified as at risk of or with HIV/AIDS.

9.7. The Contractor and/or referred providers shall ensure that all clients are regularly screened for tobacco use, treatment needs and referral to the QuitLine as part of treatment planning.

Methods and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Form P-37, Block 1.8, Price Limitation for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
2. The Contractor agrees to provide the services in Exhibit A, Scope of Service in compliance with funding requirements. Failure to meet the scope of services may jeopardize the funded Contractor's current and/or future funding.
3. This contract is funded with funds from the Substance Abuse and Mental Health Services Administration CFDA #93.788, Federal Award Identification Number (FAIN) H79TI081685.
4. The Contractor shall keep detailed records of their activities related to Department funded programs and services.
5. The Contractor shall ensure that a minimum amount of funds determined by the Department for each State Fiscal Year is set aside for the purpose of naloxone purchase and distribution.
6. The Contractor shall include in their budget a line-item for a flexible needs fund in an amount no less than $50,000 of the budget per State Fiscal Year, to provide financial assistance to clients for services not otherwise covered through another payer source.
7. The Contractor shall not use funds to pay for bricks and mortar expenses.
8. The Contractor shall include in their budget, at their discretion the following:
   - 8.1. Funds to meet staffing requirements of the contract
   - 8.2. Funds to provide clinical and recovery support services in the contract that are not otherwise reimbursable by public or private insurance or through other Federal and State contracts
   - 8.3. Funds to meet the GPRA and reporting requirements of the contract
   - 8.4. Funds to meet staff training requirements of the contract
9. Funds remaining after satisfaction of 5 and 6 above may be used by the Contractor to support the scope of work outlined in Exhibit A.
10. Payment for said services shall be made monthly as follows:
    - 10.1. Payment for start-up costs in State Fiscal Year 19 not to exceed $500,000 shall be allowable for costs associated with staffing and infrastructure needs required to meet the January 1, 2019 service effective date.
    - 10.2. Payment beyond start-up costs shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this agreement, and shall be in accordance with the approved line item.
    - 10.3. The Contractor shall submit an invoice in a form satisfactory to the State by the twentieth (20th) working day of each month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The invoice must be completed, signed, dated and returned to the Department in order to initiate

payment. The Contractor agrees to keep detailed records of their activities related to Department-funded programs and services.

10.4. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available.

10.5. The final invoice shall be due to the State no later than forty (40) days after the contract Form P-37, Block 1.7 Completion Date.

10.6. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to: Abby.Shockley@dhhs.nh.gov.

10.7. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services, and in this Exhibit B.

10.8. Notwithstanding paragraph 18 of the Form P-37, General Provisions, an amendment limited to transfer the funds within the budget and within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.

11. The Contractor shall provide a final budget for State Fiscal Year 2021 no later than March 31, 2020 for Department approval, which shall be submitted for Governor and Executive Council approval no later than June 30, 2020.

New Hampshire Department of Health and Human Services

Contractor WENTWORTH-DOUGLASS HOSPITAL

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 19 (G&C Approval - 6/30/2019)

Line Item	Total Program Cost			Contractor Share / Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 466,525.00	$ -	$ 466,525.00	$ -	$ -	$ -	$ 466,525.00	$ -	$ 466,525.00
2. Employee Benefits	$ 116,631.00	$ -	$ 116,631.00	$ -	$ -	$ -	$ 116,631.00	$ -	$ 116,631.00
3. Consultants	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Repair and Maintenance	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Purchase/Depreciation	$ 11,800.00	$ -	$ 11,800.00	$ -	$ -	$ -	$ 11,800.00	$ -	$ 11,800.00
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Lab	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Pharmacy	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Medical	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Office	$ 5,000.00	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
6. Travel	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
7. Occupancy	$ 39,040.00	$ -	$ 39,040.00	$ -	$ -	$ -	$ 39,040.00	$ -	$ 39,040.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
Postage	$ 100.00	$ -	$ 100.00	$ -	$ -	$ -	$ 100.00	$ -	$ 100.00
Subscriptions	$ 3,500.00	$ -	$ 3,500.00	$ -	$ -	$ -	$ 3,500.00	$ -	$ 3,500.00
Audit and Legal	$ 20,000.00	$ -	$ 20,000.00	$ -	$ -	$ -	$ 20,000.00	$ -	$ 20,000.00
Insurance	$ 7,000.00	$ -	$ 7,000.00	$ -	$ -	$ -	$ 7,000.00	$ -	$ 7,000.00
Board Expenses	$ 1,604.00	$ -	$ 1,604.00	$ -	$ -	$ -	$ 1,604.00	$ -	$ 1,604.00
9. Software	$ 29,000.00	$ -	$ 29,000.00	$ -	$ -	$ -	$ 29,000.00	$ -	$ 29,000.00
10. Marketing/Communications	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
11. Staff Education and Training	$ 12,750.00	$ -	$ 12,750.00	$ -	$ -	$ -	$ 12,750.00	$ -	$ 12,750.00
12. Subcontracts/Agreements	$ 10,000.00	$ -	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
13. Other (Naloxone):	$ 75,000.00	$ -	$ 75,000.00	$ -	$ -	$ -	$ 75,000.00	$ -	$ 75,000.00
14. Other (Flex Funds):	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
15. Other (Corporate Support):	$ 100,000.00	$ -	$ 100,000.00	$ -	$ -	$ -	$ 100,000.00	$ -	$ 100,000.00
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 962,700.00	$ -	$ 962,700.00	$ -	$ -	$ -	$ 962,700.00	$ -	$ 962,700.00
Indirect As A Percent of Direct		0.0%							

Contractor Initials

Date 10/18/18

New Hampshire Department of Health and Human Services

Contractor: WENTWORTH-DOUGLASS HOSPITAL

Budget Request for: Access and Delivery Hub for Opioid Use Disorder Services

Budget Period: SFY 20 (7/1/2019-6/30/2020)

Line Item	Total Program Cost			Contractor Share/Match			Funded by DHHS contract share		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1. Total Salary/Wages	$ 434,171.00	$ -	$ 434,171.00	$ -	$ -	$ -	$ 434,171.00	$ -	$ 434,171.00
2. Employee Benefits	$ 108,543.00	$ -	$ 108,543.00	$ -	$ -	$ -	$ 108,543.00	$ -	$ 108,543.00
3. Consultants	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
4. Equipment:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rental	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Repair and Maintenance	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Purchase/Depreciation	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
5. Supplies:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Educational	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Lab	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Pharmacy	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Medical	$ 250.00	$ -	$ 250.00	$ -	$ -	$ -	$ 250.00	$ -	$ 250.00
Office	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
6. Travel	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
7. Occupancy	$ 39,040.00	$ -	$ 39,040.00	$ -	$ -	$ -	$ 39,040.00	$ -	$ 39,040.00
8. Current Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	$ 4,000.00	$ -	$ 4,000.00	$ -	$ -	$ -	$ 4,000.00	$ -	$ 4,000.00
Postage	$ 100.00	$ -	$ 100.00	$ -	$ -	$ -	$ 100.00	$ -	$ 100.00
Subscriptions	$ 3,500.00	$ -	$ 3,500.00	$ -	$ -	$ -	$ 3,500.00	$ -	$ 3,500.00
Audit and Legal	$ 1,000.00	$ -	$ 1,000.00	$ -	$ -	$ -	$ 1,000.00	$ -	$ 1,000.00
Insurance	$ 7,000.00	$ -	$ 7,000.00	$ -	$ -	$ -	$ 7,000.00	$ -	$ 7,000.00
Board Expenses	$ 1,604.00	$ -	$ 1,604.00	$ -	$ -	$ -	$ 1,604.00	$ -	$ 1,604.00
9. Software	$ 14,000.00	$ -	$ 14,000.00	$ -	$ -	$ -	$ 14,000.00	$ -	$ 14,000.00
10. Marketing/Communications	$ 1,258.00	$ -	$ 1,258.00	$ -	$ -	$ -	$ 1,258.00	$ -	$ 1,258.00
11. Staff Education and Training	$ 12,750.00	$ -	$ 12,750.00	$ -	$ -	$ -	$ 12,750.00	$ -	$ 12,750.00
12. Subcontracts/Agreements	$ 10,000.00	$ -	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00	$ -	$ 10,000.00
13. Other (Naloxone):	$ 150,000.00	$ -	$ 150,000.00	$ -	$ -	$ -	$ 150,000.00	$ -	$ 150,000.00
14. Other (Flex Funds):	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
15. Other (Corporate Support):	$ 80,000.00	$ -	$ 80,000.00	$ -	$ -	$ -	$ 80,000.00	$ -	$ 80,000.00
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL	$ 927,716.00	$ -	$ 927,716.00	$ -	$ -	$ -	$ 927,716.00	$ -	$ 927,716.00
Indirect As A Percent of Direct		0.0%							

$ -

Contractor Initials

Date 10/18/18

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
   7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
   7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
   8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
   8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
   8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
   9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
   9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
    11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
    11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
    13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of $500,000 or more. If the recipient receives $25,000 or more and has 50 or

more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than $25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, $150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
    19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
    19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
    19.3. Monitor the subcontractor's performance on an ongoing basis

Contractor Initials
Date 10/18/18

19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS
As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. Conditional Nature of Agreement.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

2.1 Exhibit C, Special Provisions, Paragraph 10, Confidentiality of Records, is deleted and is replaced as follows:

The Contractor is a covered entity as defined under the Health Insurance Portability and Accountability Act (HIPAA), 45 CFR 160, 162 and 164, and shall comply with all confidentiality requirements and safeguards set forth in state and federal law and rules. The Contractor is also a substance use disorder provider as defined under 42 CFR Part 2 and shall safeguard confidential information as required. The Contractor shall ensure compliance with all consent and notice requirements prohibiting the redisclosure of confidential information in accordance with 42 CFR Part 2.

All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the disclosure of any protected health information shall be in accordance with the regulatory provisions of HIPAA, 42 CFR Part 2, and applicable state and federal laws and rules. Further, the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, their attorney or guardian. Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in this Paragraph 10 of Exhibit C shall survive the termination of the Contract for any reason whatsoever.

3. Renewal

3.1. The Department reserves the right to extend this Agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
   - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
   - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
     - 1.2.1. The dangers of drug abuse in the workplace;
     - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
     - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
     - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
   - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
   - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
     - 1.4.1. Abide by the terms of the statement; and
     - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
   - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
   1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):
*Temporary Assistance to Needy Families under Title IV-A
*Child Support Enforcement Program under Title IV-D
*Social Services Block Grant Program under Title XX
*Medicaid Program under Title XIX
*Community Services Block Grant under Title VI
*Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)

3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

Contractor Initials
Date 10/18/18

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
    11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
    11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
    11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
    13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
    13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;

- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;

- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);

- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;

- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;

- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;

- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;

- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;

- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

Contractor Initials

Date 10/18/18

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

Pursuant to Exhibit C-1 of this Agreement, Exhibit I is not applicable.

Remainder of page intentionally left blank.

Contractor Initials

Date 10/18/18

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
    - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

10/18/18
Date

Name: GREGORY J. WALKER
Title: PRESIDENT & CEO

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 069909281

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

   X NO _____ YES

   If the answer to #2 above is NO, stop here

   If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

   _____ NO _____ YES

   If the answer to #3 above is YES, stop here

   If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

   Name:_____ Amount: _____

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.

3. "Confidential Information," "Confidential Data," or "Data" (as defined in Exhibit K), means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

   Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.

5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

6. "Incident" means an act that potentially violates a security policy, which includes successful attempts) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or

storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic documents or mail.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.

8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.

11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.

12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information

except as required or permitted under this Contract or required by law. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If Contractor is transmitting DHHS Data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. Contractor may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS Data.
3. Encrypted Email. Contractor may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If Contractor is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. Contractor may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. Contractor may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If Contractor is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. Contractor may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If Contractor is employing remote communication to access or transmit Confidential Data, a secure method of transmission or remote access, which complies with the terms and conditions of Exhibit K, must be used.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If Contractor is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If Contractor is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain DHHS Data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have thirty (30) days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or, if it is infeasible to return or destroy DHHS Data, protections are extended to such information, in accordance with the termination provisions in this Section. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems accessed or utilized for purposes of carrying out this contract.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting DHHS Confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

currently-supported and hardened operating systems, current, updated, and maintained anti-malware (e.g. anti-viral, anti-hacker, anti-spam, anti-spyware) utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

If the Contractor maintains any Confidential Information on its systems (or its sub-contractor systems) and it has not done so previously, the Contractor will implement policies and procedures to ensure that any storage media on which such data maybe recorded will be rendered unreadable and that the data will be un-recoverable when the storage media is disposed of. Upon request, the Contractor and will provide the Department with copies of these policies and with written documentation demonstrating compliance with the policies. The written documentation will include all details necessary to demonstrate data contained in the storage media has been rendered unreadable and un-recoverable. Where applicable, regulatory and professional standards for retention requirements may be jointly evaluated by the State and Contractor prior to destruction.

1. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from

creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.

4. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will ensure End-User will maintain an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.

5. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.

6. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.

7. The Contractor will not store any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.

8. Data Security Breach Liability. In the event of any computer security incident, incident, or breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

9. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of, HIPAA Privacy and Security Rules (45 C.F.R. Parts 160

and 164) and 42 C.F.R. Part 2 that govern protections for individually identifiable health information and as applicable under State law.

10. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at https://www.nh.gov/doit/vendor/index.htm for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.

11. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer, and additional email addresses provided in Section VI, of any security breach within 24-hours of the time that the Contractor learns of its occurrence. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.

12. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.

13. The Contractor is responsible for End User oversight and compliance with the terms and conditions of the contract and Exhibit K.

DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer, Information Security Office and Program Manager of any Security Incidents and Breaches within 24- hours of the time that the Contractor learns of their occurrence.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with DHHS's documented Incident Handling and Breach Notification procedures and in accordance with– the HIPAA, Privacy and Security Rules. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and

procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS contact for Data Management or Data Exchange issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

B. DHHS contacts for Privacy issues:
DHHSPrivacyOfficer@dhhs.nh.gov

C. DHHS contact for Information Security issues:
DHHSInformationSecurityOffice@dhhs.nh.gov

D. DHHS contact for Breach notifications:
DHHSInformationSecurityOffice@dhhs.nh.gov
DHHSPrivacyOfficer@dhhs.nh.gov

State of New Hampshire

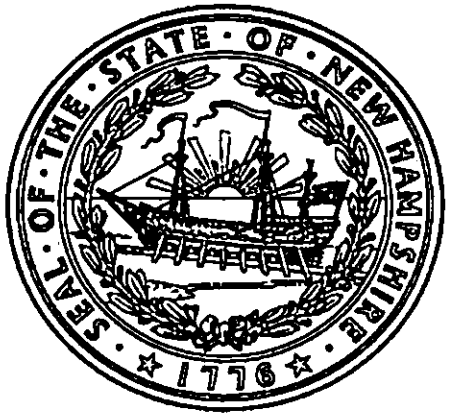
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that WENTWORTH-DOUGLASS HOSPITAL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 09, 1905. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **68727**

Certificate Number: **0004197022**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 12th day of October A.D. 2018.

William M. Gardner

Secretary of State

CERTIFICATE OF VOTE

I, Carol Bailey, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Wentworth-Douglass Hospital
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 10-12-18:
(Date)

RESOLVED: That the Gregory J. Walker
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the first day of November, 2018.
(Date Contract Signed)

4. Gregory J. Walker is the duly elected President + CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Carol A Bailey
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of New Hampshire/Strafford

The forgoing instrument was acknowledged before me this 12 day of October 2018.

By Carol Bailey.
(Name of Elected Officer of the Agency)

Eleanor Laliberte
(Notary Public/~~Justice of the Peace~~)

(NOTARY SEAL)

Commission Expires: 5-27-2020

ELEANOR LALIBERTE
MY COMMISSION EXPIRES MAY 27, 2020
NOTARY PUBLIC
NEW HAMPSHIRE

CONTROLLED RISK INSURANCE COMPANY OF VERMONT INC. (A Risk Retention Group)
Burlington, Vermont

Evidence of Insurance

STATE OF NEW HAMPSHIRE
DHHS, 129 PLEASANT STREET
CONCORD, NH 03301

Named Insured: THE MASSACHUSETTS GENERAL HOSPITAL **Date:** 10/16/2018

Coverage	**Limits of Liability:**	
General Liability	$5,000,000.00	each "Claim"
Policy Number:	MGH-CRICO-C-GLPL-1521-2018	
Policy Period:	01/01/2018 to 12/31/2018	

Special Provisions:

The insured named above is insured under the policy referenced out of Wentworth-Douglass Hospital's participation in a State Opioid Response Grant with the State of New Hampshire DHHS, 129 Pleasant Street, Concord, NH 03301. Coverage is subject to all the terms, conditions and exclusions of the CRICO policy.

Should the above described policy be canceled before the expiration date thereof, the "Company" will endeavor to mail 30 days written notice to the certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the "Company" or the Risk Management Foundation.

This Evidence of Insurance does not extend any rights to persons or entities who are not "Insured's" under the policy and neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policy. It is furnished as a matter of information only, and is issued with the understanding that the rights and liabilities of the parties will be governed by the original policy.

NOTICE

"The policy pursuant to which this Evidence of Insurance is provided is issued by the "Insured's" risk retention group. The "Insured's" risk retention group may not be subject to all the insurance laws and regulations of your State. State insurance insolvency funds are not available for the "Insured's" risk retention group."

Terms appearing in quotation marks in the Evidence of Insurance shall have the same meaning as the definition of that term in the policy.

Controlled Risk Insurance Company of Vermont, Inc.
(A Risk Retention Group)

Duly Authorized Representative

Rev.01/01/2013

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/11/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis of Massachusetts, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com
INSURED Wentworth-Douglass Hospital 789 Central Avenue Dover, NH 03820 USA	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A: Safety National Casualty Corporation 15105 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: W8487039 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N ☐ If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		SP 4058108	12/31/2017	12/31/2018	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 2,500,000
							E.L. DISEASE - EA EMPLOYEE	$ 2,500,000
							E.L. DISEASE - POLICY LIMIT	$ 2,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

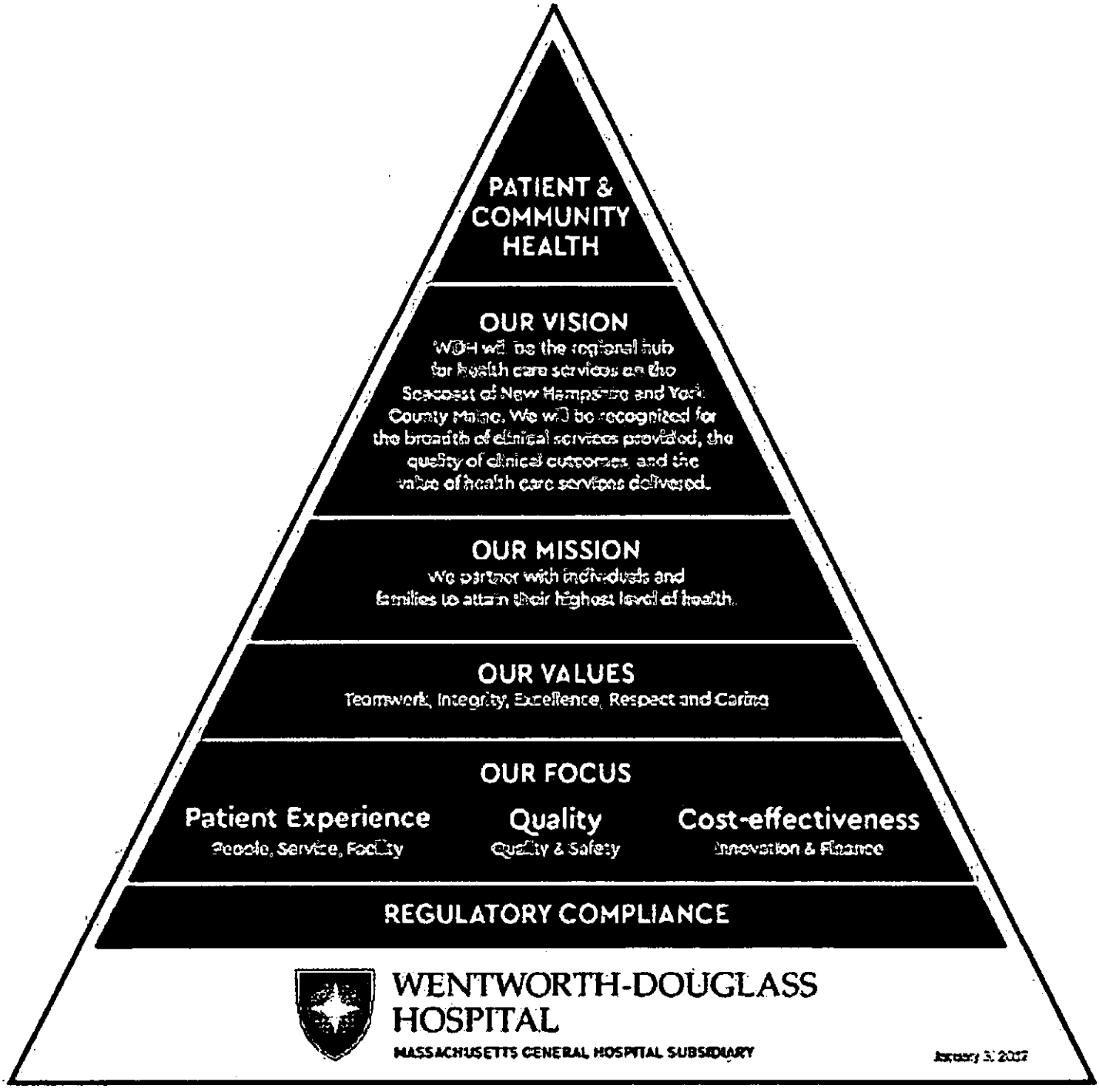
The State of NH, DHHS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Julia M Powers


PATIENT & COMMUNITY HEALTH
OUR VISION
WDH will be the regional hub for health care services on the Seacoast of New Hampshire and York County Maine. We will be recognized for the breadth of clinical services provided, the quality of clinical outcomes, and the value of health care services delivered.
OUR MISSION
We partner with individuals and families to attain their highest level of health.
OUR VALUES
Teamwork, Integrity, Excellence, Respect and Caring
OUR FOCUS
Patient Experience
People, Service, Facility
Quality
Quality & Safety
Cost-effectiveness
Innovation & Finance
REGULATORY COMPLIANCE
WENTWORTH-DOUGLASS HOSPITAL
MASSACHUSETTS GENERAL HOSPITAL SUBSIDIARY
January 3, 2017

MGH and Affiliates
Consolidating Balance Sheet
September 30, 2017
(In Thousands)

	WDH	WDPC	WDHF	WDCHC	WD elims	WD combined	Other MGH Affiliates and Eliminations	TOTAL MGH
ASSETS								
Current assets								
Cash and equivalents	39,058	35	1,279	373	-	40,745	235,850	276,595
Investments	90,514	-	569	-	-	91,083	1,066,274	1,157,357
Current portion of investments limited as to use	98,388	-	-	-	-	98,388	475,169	573,557
Patient accounts receivable, net of allowance for bad debts	32,047	3,843	-	-	-	35,890	451,518	487,408
Due from affiliates	-	-	-	-	-	-	-	-
Research grants receivable	-	-	-	-	-	-	74,815	74,815
Other current assets	11,986	1,120	3	939	(385)	13,663	138,288	151,951
Receivable for settlements with third-party payers	-	-	-	-	-	-	25,851	25,851
Current portion of notes receivable from affiliates	4,750	-	-	-	(4,750)	-	23	23
Total current assets	276,743	4,998	1,851	1,312	(5,135)	279,769	2,467,788	2,747,557
Investments limited as to use, less current portion	10,345	-	6,520	-	-	16,865	2,346,811	2,363,676
Long-term investments	278	-	1,690	-	-	1,968	1,099,703	1,101,671
Pledges receivable, net and contributions receivable from trusts, less current portion	1,778	-	99	-	-	1,875	134,875	136,750
Interest in the net assets of affiliate	-	-	-	-	-	-	-	-
Property and equipment, net	202,924	2,859	5	11,556	-	217,344	2,632,429	2,849,773
Other assets	32,308	-	-	-	(13,627)	18,681	188,734	207,415
Notes receivable from affiliates, less current portion	-	-	-	-	-	-	208	208
Total assets	524,374	7,857	10,165	12,868	(18,762)	536,502	8,870,548	9,407,050
LIABILITIES AND NET ASSETS								
Current liabilities								
Current portion of long-term obligations	2,240	-	-	21	-	2,261	387	2,648
Current portion of notes payable to affiliates	-	-	-	4,750	(4,750)	-	98,541	98,541
Accounts payable and accrued expenses	28,901	1,182	-	1,457	(385)	31,155	118,049	149,204
Accrued compensation and benefits	22,446	6,767	-	212	-	29,425	308,409	337,834
Current portion of accruals for settlements with third-party payers	4,351	-	-	-	-	4,351	24,392	28,743
Unexpended funds on research grants	-	-	-	-	-	-	84,876	84,876
Due to affiliates	-	-	-	-	-	-	72,168	72,168
Total current liabilities	57,938	7,949	-	6,440	(5,135)	67,192	706,822	774,014
Other liabilities								
Accrual for settlements with third-party payers, less current portion	12,317	-	-	-	-	12,317	59	12,376
Accrued professional liability	-	-	-	-	-	-	210,810	210,810
Accrued employee benefits	-	-	-	-	-	-	759,429	759,429
Interest rate swaps liability	2,301	-	-	-	-	2,301	-	2,301
Accrued other	-	-	-	-	-	-	34,250	34,250
Long-term obligations, less current portion	104,828	-	-	25	-	104,851	(873)	103,978
Notes payable to affiliates, less current portion	-	-	-	-	-	-	1,285,452	1,285,452
Total liabilities	177,382	7,949	-	6,465	(5,135)	186,661	2,995,749	3,182,410
Net assets								
Unrestricted	344,976	(92)	7,316	6,403	(13,627)	344,976	4,560,901	4,905,877
Temporarily restricted	949	-	1,456	-	-	2,405	810,591	812,996
Permanently restricted	1,067	-	1,393	-	-	2,460	503,307	505,767
Total net assets	346,992	(92)	10,165	6,403	(13,627)	349,841	5,874,799	6,224,640
Total liabilities and net assets	524,374	7,857	10,165	12,868	(18,762)	536,502	8,870,548	9,407,050

Note: Certain amounts have been rounded to the nearest thousand.

MGH and Affiliates
Consolidating Statements of Operations
September 30, 2017
(In Thousands)

	WDH	WDPC	WDHF	WDCHC	WD elims	WD combined	Other MGH Affiliates and Eliminations	TOTAL MGH
Operating revenue								
Net patient service revenue, net of provision for bad debts	236,501	27,311	-	-	-	263,812	4,055,214	4,319,026
Direct academic and research revenue	-	-	-	-	-	-	847,855	847,855
Indirect academic and research revenue	-	-	-	-	-	-	229,217	229,217
Other revenue	5,650	714	-	4,126	(1,851)	8,639	380,807	389,446
Total operating revenue	242,151	28,025	-	4,126	(1,851)	272,451	5,513,093	5,785,544
Operating expenses								
Employee compensation and benefits	110,635	42,861	-	2,046	42	155,584	2,636,759	2,792,343
Supplies and other expenses	78,990	11,978	-	1,402	(1,731)	90,639	1,462,969	1,553,608
Direct academic and research expenses	-	-	-	-	-	-	847,855	847,855
Depreciation and amortization	13,901	1,202	-	477	-	15,580	268,028	283,608
Interest	4,409	-	-	162	(162)	4,409	50,906	55,315
Total operating expenses	207,935	56,041	-	4,087	(1,851)	266,212	5,266,517	5,532,729
Income (loss) from operations	34,216	(28,016)	-	39	-	6,239	246,576	252,815
Nonoperating gains (expenses)								
Income from investments	18,014	-	802	-	-	18,816	352,015	370,831
Change in fair value of interest rate swaps	216	-	-	-	-	216	-	216
Gifts and other, net of fundraising and other expenses	(28,859)	(531)	(247)	-	27,953	(1,684)	(37,366)	(39,050)
Academic and research gifts, net of expenses	-	-	-	-	-	-	11,514	11,514
Contribution income - affiliates	-	-	-	-	-	-	321,389	321,389
System development funding	-	-	-	-	-	-	(68,018)	(68,018)
Total nonoperating gains, net	(10,629)	(531)	555	-	27,953	17,348	579,534	596,882
Excess (deficit) of revenues over expenses	23,587	(28,547)	555	39	27,953	23,587	826,110	849,697
Other changes in net assets:								
Funds utilized for property and equipment	-	-	-	-	-	-	23,042	23,042
Change in funded status of defined benefit plans	-	-	-	-	-	-	623,515	623,515
Transfers (to)/from affiliates	321,389	28,455	6,761	6,364	(41,580)	321,389	(373,670)	(52,281)
Increase (decrease) in unrestricted net assets	344,976	(92)	7,316	6,403	(13,627)	344,976	1,098,997	1,443,973

Note: Certain amounts have been rounded to the nearest thousand.

MGH and Affiliates
Consolidating Statements of Changes in Net Assets
Year ended September 30, 2017
(In Thousands)

	WDH	WDPC	WDHF	WDCHC	WD elims	WD combined	Other MGH Affiliates and Eliminations	TOTAL MGH
Unrestricted								
Net assets at October 1, 2016	-	-	-	-	-	-	3,461,904	3,461,904
Increases (decreases)								
Income (loss) from operations	34,216	(28,016)	-	39	-	6,239	246,576	252,815
Income (loss) from investments	18,014	-	802	-	-	18,816	352,015	370,831
Change in fair value of interest rate swaps	216	-	-	-		216	-	216
Gifts and other, net of expenses	(28,859)	(531)	(247)	-	27,953	(1,684)	(37,366)	(39,050)
Academic and research gifts, net of expenses	-	-	-	-	-	-	11,514	11,514
Contribution income - affiliates	-	-	-	-	-	-	321,389	321,389
System development funding	-	-	-	-	-	-	(68,018)	(68,018)
Funds utilized for property and equipment	-	-	-	-	-	-	23,042	23,042
Change in funded status of defined benefit plans	-	-	-	-	-	-	623,515	623,515
Transfers (to) from affiliates	321,389	28,455	6,761	6,364	(41,580)	321,389	(373,670)	(52,281)
Change in unrestricted net assets	344,976	(92)	7,316	6,403	(13,627)	344,976	1,098,997	1,443,973
Net assets at September 30, 2017	344,976	(92)	7,316	6,403	(13,627)	344,976	4,560,901	4,905,877
Temporarily restricted								
Net assets at October 1, 2016	-	-	-	-	-	-	717,150	717,150
Increases (decreases)								
Income (loss) from investments	-	-	-	-	-	-	76,592	76,592
Gifts and other	-	-	424	-	-	424	25,412	25,836
Contribution income - affiliates	-	-	-	-	-	-	2,120	2,120
Change in net unrealized appreciation on marketable investments	65	-	(20)	-	-	45	267	312
Funds utilized for property and equipment	-	-	(184)	-	-	(184)	(9,399)	(9,583)
Transfers (to) from affiliates	884	-	1,236	-	-	2,120	(1,551)	569
Change in temporarily restricted net assets	949	-	1,456	-	-	2,405	93,441	95,846
Net assets at September 30, 2017	949	-	1,456	-	-	2,405	810,591	812,996
Permanently restricted								
Net assets at October 1, 2016	-	-	-	-	-	-	444,529	444,529
Increases (decreases)								
Gifts and other	-	-	21	-	-	21	53,259	53,280
Contribution income - affiliates	-	-	-	-	-	-	2,399	2,399
Change in net unrealized appreciation on marketable investments	40	-	-	-	-	40	182	222
Other	-	-	-	-	-	-	337	337
Transfers (to) from affiliates	1,027	-	1,372	-	-	2,399	2,601	5,000
Change in permanently restricted net assets	1,067	-	1,393	-	-	2,460	58,778	61,238
Net assets at September 30, 2017	1,067	-	1,393	-	-	2,460	503,307	505,767

WENTWORTH-DOUGLASS HOSPITAL
MASSACHUSETTS GENERAL HOSPITAL SUBSIDIARY

Wentworth-Douglass Hospital
Board of Trustees
August 2018

TRUSTEE	POSITION ON BOARD	PROFESSIONAL ASSOCIATION
Carol Bailey	Madame Chairman	Internal Auditor Piscataqua Savings Bank
John Salmon	Vice Chairman	Retired – Former Assistant Treasurer Liberty Mutual
James Brannen	Treasurer	President Federal Savings Bank
Atty. Michael Bolduc	Secretary	Lawyer Wyskiel, Boc, Tillinghast & Bolduc
Dr. Marcela del Carmen	Trustee	Chief Medical Officer Mass General Physicians Organization
Dr. Peter Dirksmeier	Trustee	Seacoast Orthopedics and Sports Medicine
Dr. Tim Ferris	Trustee	Chairman & CEO Mass General Physicians Organization
Neil Garvey	Trustee	Retired Former VP of Tyco International and President & CEO of Tycom
Roger Hamel	Immediate Past Chairman	Accountant Leone, McDonnell & Roberts
Tony James	Trustee	Senior Vice President Network Development and Integration Mass General Hospital
Anne Jamieson	Trustee	Adjunct Faculty, Dept of Health, Management & Policy University of New Hampshire
Dr. Anne Kalter	Trustee	Gynecology & Infertility Associates
Dr. John Novello	Medical Staff President	Chairman, Department of Medicine
Ingo Roemer	Trustee	Senior Consultant Sadhana Consulting
Dr. Andrew Warshaw	Trustee	Senior Consultant International and Regional Clinical Relations Mass General Hospital and Partners HealthCare

Peter Y. Fifield Ed D., LCMHC, MLADC

Relative Work
Experience Manager of Integrated Behavioral Health Services
Integrated Behavioral Health Specialist
Families First Health and Support Center 2012-Present 2008-2012 Portsmouth, NH

- Manager of all integration and collaborative services including mental health and substance abuse assessment and treatment, nutrition, care coordination, home visiting and other social services in an urban FQHC
- Responsible for startup of Integrated Behavioral Health program including creation of all operational, financial and clinical protocols
- Consulting member for local and regional integration projects regarding integrated care for clients of all ages
- Counseling therapist for low income individuals utilizing a wide range of therapeutic assessments and interventions for clients of all ages living with mental health and substance abuse disorders
- Member of Trauma Informed Care Integration Steering Committee
- Supervisor for all Behavioral Health and Home Visiting staff
- Member of regional collaborative network including local and regional hospitals, community mental health, specialty care and social services

Adjunct Faculty 2015-Present
University of New England Portland, ME

- Advisor for Doctoral cohort within the Education Department
- Provided direct feedback and advice to students regarding doctoral dissertation process
- Consulted directly with other UNE faculty, IRB members, and student affiliates regarding all phases of the dissertation process

Adjunct Faculty 2012-2016
University of MA Medical School-Center for Integrated Primary Care Worchester, MA

- Design and instruction of an online, interactive Motivational Interviewing class for university students

Adjunct Faculty 2012-2014
New England College Henniker, NH

- Design and implementation of graduate level class on integrated primary care behavioral health
- Instruction of graduate students including lecture, grading, curriculum design and administrative duties
- Instructor of integrated care therapeutic approaches, billing and systems design, philosophy of care, and multidisciplinary communication models

Integrated Behavioral Health Specialist
Summit Community Care Clinic 2006-2008
Frisco, CO

- Behavioral therapist for low income individuals living with mental health and substance abuse disorders; utilizing a range of therapies including Motivational Interviewing, Solution Focused, Cognitive Behavioral and Acceptance Commitment Therapy
- Project head for the design and implementation of the integrated care operation flow and client data base for the National Council for Community Behavioral Healthcare Project
- Collaborative member of a qualitative data collection and analysis team for the National Council for Community Behavioral Healthcare Project

Mental Health and Substance Abuse Therapist
Colorado West Mental Health

- Provide diagnostic evaluation, assessment and mental health counseling for adolescents and adults seeking individual and group treatment
- Substance Abuse and DUI Intake Assessment Coordinator
- Group counselor for Colorado Outpatient Eagle Summit (COPES) substance dependence group therapy
- On-Call Emergency Mental Health Services Therapist
- Member of Summit Community Connections Integration Program

2006-2008 Frisco, CO

Operations Manager, Experiential Educator, Facilitator 1998-2006
Breckenridge Outdoor Education Center Breckenridge, CO

- Manager of plant, property and equipment for wilderness therapy facility, interns and wilderness staff
- Facilitator of wilderness therapy sessions with children and adults of all abilities including trauma survivors, individuals living with physical and mental disabilities, veterans and adjudicated youth
- Team Building Facilitator for Professional Challenge Program leading groups such as; The National Guard, Veterans Association, Denver Police Department, U.S. Ski and Swim Teams etc.

Education Ed.D: Educational Leadership
University of New England

Non-Matriculated Student
Rivier University

M.S. In Counseling Psychology
University of West Alabama 2012-2015 Biddeford, ME

2009-2010 Nashua, NH

2005-2008
Livingston, AL

B.S. Kinesiology; Experiential/Outdoor Education
University of New Hampshire

1994-1998
Durham, NH
Professional Motivational Interviewing for Health Behavior Change (2014-2018). Harvard Presentation Institute of Lifestyle Medicine, Boston, MA.

Medication Assisted Treatment: Integrated Care for Patients Living with Substance Use Disorders. (2016). Collaborative Family Healthcare Association, Charlotte, NC.

What is Next? Advancing Healthcare from Provider-Centered to Patient-Centered to Family-Centered. (2014). Collaborative Family Healthcare Association Washington, DC.

Integration of Smoking Cessation Protocols in Primary Care Using
QuitWorks New Hampshire (2012). New Hampshire Health Association, Concord NH.

Patient-Centered Asthma Care: Making What we Know Works Operational—EMR Track Examples from the Field (2012). NH Asthma Conference, Concord, NH.

Navigating the Legal and ethical Foundations of Informed Consent and Confidentiality in Integrated Care (2012). Collaborative Family Healthcare Association, Austin TX.

Reducing Tobacco Use in New Hampshire: An Opportunity to Integrate the Work of Primary Care, Public Health, Oral Health and Behavioral Health (2012). New Hampshire Public Health Forum, Concord, NH.

Best Practices for Informed Consent and Confidentiality in Integrated Behavioral Health Setting: Results of a Standardized Survey of Experts and Practitioners (2011). Collaborative Family Healthcare Association, Philadelphia, PA.

Smoking Cessation Interventions and Treatment in the Primary Care Setting (2011). New Hampshire WIC Conference, Concord, NH.

Hard but not Impossible: Institutionalizing Ask, Assist and Refer to QuitWorks-into Primary Care (2011). New Hampshire Chronic Disease Conference, Concord, NH.

H.I.T. or MIS? Best Practices for Collaboration in a Health Information Technology Environment (2010). Collaborative Family Healthcare Association, Louisville, KY.

Data Blitz (2010). Collaborative Family Healthcare Association, Louisville, KY.

Helping Mental Health Practitioners Integrate into the Primary Care Setting (2008), West Slope Casa Psychiatry Symposium, Glenwood Springs, CO.

Integrated Care in Summit County, Colorado (2008). Invited presentation at the Second National Learning Congress of the National Council for Community Behavioral Healthcare, Primary Care Mental Health Integration Project, Washington, DC.

Professional
Publications Integrated Care in Summit County, CO (2007). Invited presentation at the Second National Learning Congress of the National Council for Community Behavioral Healthcare, Primary Care Mental Health Integration Project, Chicago, IL.

Fifield, P., Suzuki, J., Minski, S., Carty, J. (2018). Motivational Interviewing and Behavioral Change. In Lifestyle Medicine. Manuscript in preparation.

Hudgins, C., Rose, S., Fifield, P., & Arnault, S. (2014). The ethics of integration: Where policy and practice collide. In Medical Family Therapy: Advanced applications (pp. 381-402). New York, NY: Springer.

Hudgins, C., Rose, S., Fifield, P., & Arnault, S. (2013). Navigating the legal and ethical foundations of informed consent and confidentiality in integrated care. Family, Systems & Health: The Journal of Collaborative Family Healthcare, Special Edition.

Reitz, R., Common, K., Fifield, P., & Stiasny, E. (2011). Collaboration in the presence of an electronic health record. Families, Systems, & Health: The Journal of Collaborative Family Healthcare , 30 (1), 72-80.

Reitz, R., Fifield, P., & Whistler, P. (2011). Integrating a Behavioral Health Consultant into your practice. Family Practice Management , 18 (1), 18-21.

Fifield, P. (2010). Book Review: Behavioral consultation and primary care: A guide to integrating services. Families, Systems, & Health: The Journal of Collaborative Family Healthcare , 28 (1), pp. 72-73.

License and Certifications
Licensed Clinical Mental Health Counselor: State of New Hampshire—2010-Present

Master Licensed Alcohol and Drug Counselor: State of New Hampshire—2012-Present

Motivational Interviewing Network of Trainers: Member/Trainer—2011-Present

Crisis Prevention Institute: Nonviolent De-escalation Trainer

Certified Prime For Life Instructor: Prime For Life Training—2015

Critical Incident Stress Management: Group and Individual Certified--2008

Professional
Affiliations
Collaborative Family Healthcare Association; Member—Membership and IT Committees & Former Editing Manager CFHA Blog

Family Medicine Education Consortium; Member

International Society for Traumatic Stress Studies; Member

American Mental Health Counselors Association; Member

The New Hampshire Mental Health Counselors Association; Member

Community
Involvement Kittery Soccer Club Board of Directors- 2017-present

Town of Kittery Maine: Kittery Travel Soccer U9-U12 Soccer Coach, U10 Baseball Coach, U9 Lacrosse Coach-2014-Present

Kittery Civil Rights Advocates: 2017-Present

Integrated Delivery Network Region 6: Integrated Care Clinical Advisory Team Member, 2016-Present

Disaster Behavioral Health Response Team: Volunteer Response Team member, 2012-Present

Seacoast Care Collaborative: Special Committee on Community Care Coordination, 2012-2014

Seacoast Integrated Network of Care, Rockingham County New Hampshire; Steering Committee Member, 2008-2012

New Hampshire Integrated Primary Care Learning Collaborative; Member, 2008-Present

Veterans of Foreign Wars and American Legion Local Chapter; Member, 2004-Present

Other Research Experience

Assessment and integration of Trauma Informed Care concepts within an urban FQHC, 2016-Present

Assessment of Relational Coordination factors in medical teams and the outcomes on activation levels in patients with chronic illness, 2013-2016

Integrated Care Effects on Hypertensive Patient's BioPsyhoSocial Indicators in a Primary Care Setting, 2012-2014

Families First Health and Support Center and Antioch New England: Community Based Participatory Research Integrated Healthcare Outcomes Project, 2008-2011

Qualitative Delphi Study on Health Information Technology use and HIPAA in the Collaborative Healthcare Setting, 2010 - 2011

Summit Community Care Clinic and The National Community Council for Behavioral Health: Collaborative for Integrated Care Improvement, 2007-2008

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter Fifield (start date 11-19-2018)	Program Manager (administrative and clinical responsibilities)	$94,225	100%	$94,225